If that is the case, the subsidy requirement estimate of $730,000 for the Latin American operation may also have to be increased. See Delta's letter to the Postmaster General, dated June 22, 1954, page 3, which letter has been offered by Delta by way of a printed statement (p. 5) of Mr. Erle Cocke, Jr., presented July 8, 1954, to your committee on S. 3426.

With respect to the attachment of Mr. Gurney's letter (also reproduced in the CONGRESSIONAL RECORD of July 6, 1954, pages 9711–9712), it appears to be a summary of the effect of the Supreme Court decision on offsets for the future year July 1, 1954–June 30, 1955, fiscal year 1955.

First, the Department, as previously stated, has not asserted any offset claims against any carrier for that future period. The Department has not attempted to estimate whether any excess earnings will be available for fiscal 1955. Reorganization Plan No. 10 of 1953 has relieved the Department of the responsibility of paying subsidies as of October 1, 1953. The Department therefore, if requested, would accept the Board's estimate of projected results for the future fiscal year 1955 on the subsidy offset principle.

Secondly, the Department reads the Board's estimates for fiscal 1955 as in no way affecting or prejudging the Department's claims of excess earnings of the various carriers for the past fiscal years mentioned in the Postmaster General's letter of June 5, 1954, to Senator KILGORE. For example, the attachment does not include United, as mentioned in the footnote to the attachment. Again, the estimate does not mention the Postmaster General's claim against Braniff for the periods prior to January 1, 1954. Likewise the Department does not read the reference to TWA as a prejudgment of the amount available for offset in the calendar year 1953 to be only $1,500,000.

Finally, the Board's estimates of the service mail pay for fiscal 1955 are not understood to be a prejudgment of the final proper service mail rates for 1955 presently under consideration by the Board in pending proceedings for various domestic overseas and international carriers.

In conclusion, the Department wishes to state that it realizes that the computations involved in the offset principle can be made complex and that there are controversies as evidenced by the pending cases, just as there always are controversies on money claims. The principle, however, is simple and fair, as shown by the unanimous opinion and decision of the Supreme Court on this and related matters—"If, the carrier's treasury is lush, the 'need' [for subsidy] decreases * * *."

This matter demonstrates rather forcefully the importance of the President's Reorganization Plan No. 10, separating subsidy from mail payments, which was approved by Congress, effective October 1, 1953. In addition to relieving the postal service of the burden of making subsidy payments, one of the principal purposes of this plan was to identify separately the amount of the appropriations to be made by Congress for subsidy purposes.

Before this plan became effective, subsidy payments were made by the Post Office Department. The amount in question here covers past rate periods for which the Department has the responsibility of paying such subsidies. The amount of subsidy that may be involved in the future under the Supreme Court ruling is a matter for the Civil Aeronautics Board which now has the responsibility for making the subsidy payments.

The Post Office Department would be remiss in its duties to the public if it did not closely scrutinize the amount to be charged to it for the past rate periods under the Supreme Court's interpretation of the law.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, if there are no further remarks or insertions to be made in the RECORD, before I make a motion to recess, I would respectfully request the cooperation of Senators on both sides of the aisle to be in the Chamber promptly at 10 o'clock tomorrow morning. I know that committee meetings are scheduled for 10 o'clock in the morning, but if Senators attending such meetings will come to the Chamber on the first roll call at 10 o'clock they may again leave to attend the committee meetings. In that way we may save a great deal of time, instead of holding up the Senate for a lengthy quorum call.

Mr. BRICKER. Mr. President, is it the desire of the majority leader that we have no committee meetings after 10 o'clock?

Mr. KNOWLAND. I would say to the Senator from Ohio that I would not want to suggest an invariable rule to that effect. In some instances it might be urgent that a committee hold a hearing. However, if a meeting can be postponed from tomorrow to the following day, I believe, in view of the fact that we will be voting tomorrow—and undoubtedly there will be a number of quorum calls—there will be few if any committee meetings held tomorrow.

Mr. BRICKER. I thank the Senator.

DEATH OF FORMER SENATOR BLAIR MOODY, OF MICHIGAN

Mr. FERGUSON. Mr. President, it is with deep feeling of sadness that I announce the death of my former colleague from Michigan, Blair Moody. I know that the Senate receives this news with profound sorrow. I am sure we all extend our sympathy to the family and the many friends of Blair Moody in Michigan.

RECESS TO 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 10 o'clock a. m., tomorrow.

The motion was agreed to; and (at 9 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 21, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 19 (legislative day of July 2), 1954:

UNITED STATES DISTRICT JUDGES

Emett C. Choate, to be United States district judge for the southern district of Florida. (New position.)

Fred M. Taylor, to be United States district judge for the district of Idaho. (New position.)

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 20, 1954

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our heavenly Father, who hast revealed unto us the way of blessedness, we are again calling upon Thy great and holy name for by Thy power we are sustained and strengthened to meet and discharge our tasks and responsibilities with quietness and confidence with renewed energy and hope.

Help us to appreciate more fully how greatly we need divine wisdom and guidance and that Thou hast placed at our disposal the inexhaustible resources of Thy grace.

Grant that daily we may hear and heed Thy voice for the ways which Thou hast marked out for us are the ways of pleasantness and peace.

Encourage us with a clear vision of the final triumphant fulfillment of our loftier hopes and aspirations for the Lord God omnipotent reigneth and of His kingdom of righteousness and justice there shall be no end.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill and concurrent resolution of the Senate of the following titles:

S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; and

S. Con. Res. 80. Concurrent resolution to print additional copies of Senate Document 87, Review of the United Nations Charter—A Collection of Documents.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills and a joint resolution of the House of the following titles:

H. R. 303. An act to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes;

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education;

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes;

H. R. 9040. An act to authorize cooperative research in education; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3344) entitled "An act to amend the mineral leasing laws and the mining laws to provide for multiple mineral development of the same tracts of the public lands, and for

other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MILLIKIN, Mr. WATKINS, Mr. BARRETT, Mr. MURRAY, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 55–2.

AUTHORIZING SECRETARY OF AGRICULTURE TO COOPERATE WITH STATES FOR SOIL CONSERVATION

Mr. HOPE submitted a conference report and statement on the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

CREEPING SOCIALISM

Mr. CLARDY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CLARDY. Mr. Speaker, there are those who think that the advent of socialism will be heralded with banners and beating drums. There are those who believe that the coming of socialism will be advertised in screamer headlines and blowing sirens. Nothing could be further from the truth. Such folks are deceiving themselves and the Nation. Socialism will sneak up on us gradually—as it has been for some time. But we can be beguiled into taking longer steps in that direction if we are not careful.

Last Sunday the New York Times carried an article in which Bernard M. Baruch was quoted as demanding an immediate congressional action to grant to unnamed bureaus and departments the power to socialize this Nation overnight. Mr. Baruch does not put it in so many words, but that is the plain meaning of what he says.

His is indeed an odd way of saving our system of free enterprise. He wants to save it by embracing all of the Socialists' program for regimenting the entire Nation.

Surely experience has taught us that a handful of bureaucrats in Washington are not wiser than the collective judgment of all our people. Surely experience has shown us that the way to wreck our system of a free economy is to subject it to more and more Government control. If we have not learned that then the case for free enterprise is hopeless.

Mr. Baruch wants us to enact a program that will give the bureaucrats power to hold down wages along with the power to regulate every other phase of the economy. Rationing and all the things that go with it are included in his program—his is a program for the complete socialization of the Nation at one blow.

Just when would he put the program into operation? It is there that he becomes vague and uncertain. But he makes it obvious that he wants this power to be exercised the moment someone he leaves unnamed becomes apprehensive about what may happen. He says that the regulation should be less severe for a situation such as military intervention in southeast Asia than in an all-out war. I wonder who would make the decision as to when we must become completely socialized? And just what will trigger that decision? Will it merely require someone to say he thinks an emergency is about to start?

It is obvious he does not want the Congress to have anything to say about when the regimentation of socialism shall commence—or the extent of that socialization. He exhibits a complete faith in bureaucrats and a complete lack of confidence in the representatives of the people. In that direction lies dictatorship.

But he reaches the height of absurdity when he says:

> Controls would last only as long as they were required—certainly for the duration of the emergency and for a sufficient time thereafter to permit a proper readjustment.

Just how optimistic about the removal of these things can you get?

We have been living in a period of so-called emergency for years. I wonder just what further events must take place before he would have the bureaucrats clamp on the stranglehold? And I wonder who would decide when the so-called emergency and "a sufficient time thereafter for readjustment" had elapsed? Under his theory it would certainly not be Congress. Has he learned nothing from experience about how it becomes politically impossible to unshackle ourselves from bureaucratic controls? If these folks have their way the time will never come when controls are not needed.

Why must we be forever threatening ourselves with destruction from within? Does he think for 1 minute that business and industry can make long-range plans with the sword of Damocles forever hanging over their heads? Has he completely lost faith in the ability of the free enterprise system to weather the storms of everyday life? And how much of a breeze does he think must develop before the bureaucrats will call it a cyclone? Does he have more faith in the ability of a handful of little men to tell all of us what to do than he does in the combined genius of our people and our system?

He makes the astonishing suggestion that by threatening ourselves with complete socialization we will somehow or other deter our only enemy from commencing an all-out war. Has he forgotten that it is the aim and purpose of that enemy to socialize us? Does he not realize that our enemy wants us to become socialized as a necessary step in transition to full communization?

He says that the next war may come in a big smash—and he asks where Congress will be? If it is going to be that bad there will not be any bureaucrats left to put these chains on our wrists. They will perish right along with the Congress. What he really means is that Congress may not be persuaded to fully regiment our people overnight. He thinks that would be bad.

But back of all of this talk about all-out war is to be discerned the real motive. What he wants and what those who think like him want is something on the books that will enable the Socialist-minded people in our midst to take over whenever they think the opportune moment has arrived. Anything will be a "crisis" to them—all they want is the excuse to take over.

It would be the supreme folly of our time if we should adopt his suggestion that we speed up the process of socializing ourselves. It would be the greatest mistake in our history if we should now abandon all hope and surrender our ideals and principles. I cannot subscribe to his policy of despair.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the calendar.

ANNA URWICZ

The Clerk called the bill (S. 552) for the relief of Anna Urwicz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Anna Urwicz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHUAN HUA LOWE AND HIS WIFE

The Clerk called the bill (S. 997) for the relief of Chuan Hua Lowe and his wife.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

GIUSEPPI CLEMENTI

The Clerk called the bill (H. R. 7924) for the relief of Giuseppi Clementi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the

Immigration and Nationality Act, Giuseppi Clementi may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, strike out "have" and insert "had."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DINA MIANULLI (NEE KRATZER)

The Clerk called the bill (H. R. 7925) for the relief of Mrs. Dina Mianulli (nee Kratzer).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Dina Mianulli (nee Kratzer) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

With the following committee amendment:

Page 1, line 10, strike out "have" and insert "had."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HELMUT CERMAK AND HANA CERMAK

The Clerk called the bill (H. R. 8334) for the relief of Helmut Cermak and Hana Cermak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Helmut Cermak and Hana Cermak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DONKA KOURTEVA DIKOVA AND HER SON NICOLA MARIN DIKOFF

The Clerk called the bill (S. 95) for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son Nicola Marin Dikoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Donka Kourteva Dikova (Dikoff) and her son Nicola Marin Dikoff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BETTY THORNTON OR JOZSEFNE TOTH

The Clerk called the bill (S. 98) for the relief of (Mrs.) Betty Thornton or Jozsefne Toth.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Betty Thornton or Jozsefne Toth shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO CRACCHIOLO

The Clerk called the bill (S. 102) for the relief of Francesco Cracchiolo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Francesco Cracchiolo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHRISTOPHER F. JAKO

The Clerk called the bill (S. 110) for the relief of Christopher F. Jako.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Christopher F. Jako shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YVONNE LINNEA COLCORD

The Clerk called the bill (S. 203) for the relief of Yvonne Linnea Colcord.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Yvonne Linnea Colcord may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DEAN S. ROBERTS (NEE BRAUN)

The Clerk called the bill (S. 222) for the relief of Mrs. Dean S. Roberts (nee Braun).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Dean S. Roberts (nee Braun) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERRIT BEEN

The Clerk called the bill (S. 246) for the relief of Gerrit Been.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of paragraphs (9) and (10) of section 212 (a) of the Immigration and Nationality Act, Gerrit Been may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enact of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANTELIS MORFESSIS

The Clerk called the bill (S. 267) for the relief of Pantelis Morfessis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Pantelis Morfessis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SZYGA (SAUL) MORGENSTERN

The Clerk called the bill (S. 278) for the relief of Szyga (Saul) Morgenstern.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Szyga (Saul) Morgenstern shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILOLAOS TSOLAKIS AND HIS WIFE, VASSILIKI TSOLAKIS

The Clerk called the bill (S. 303) for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Filolaos Tsolakis and his wife, Vassiliki Tsolakis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. SAMSON SOL FLORES ET AL.

The Clerk called the bill (S. 496) for the relief of Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLOS FORTICH, JR.

The Clerk called the bill (S. 587) for the relief of Carlos Fortich, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Carlos Fortich, Jr., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NINO SABINO DI MICHELE

The Clerk called the bill (S. 661) for the relief of Nino Sabino Di Michele.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Nino Sabino Di Michele. From and after the date of enactment of this act, the said Nino Sabino Di Michele shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and order have been issued.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE J. HALKIS

The Clerk called the bill (S. 790) for the relief of Irene J. Halkis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 212 (a) (9) and 212 (a) (19) of the Immigration and Nationality Act, Irene J. Halkis may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAULUS YOUHANNA BENJAMEN

The Clerk called the bill (S. 794) for the relief of Paulus Youhanna Benjamen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Paulus Youhanna Benjamen shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEF RADZIWILL

The Clerk called the bill (S. 795) for the relief of Josef Radziwill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Josef Radziwill shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL, AGNES, AND SONYA LIEBERMAN

The Clerk called the bill (S. 830) for the relief of Samuel, Agnes, and Sonya Lieberman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Samuel, Agnes, and Sonya Lieberman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIONYSIO ANTYPAS

The Clerk called the bill (S. 841) for the relief of Dionysio Antypas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Dionysio Antypas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RABBI EUGENE FEIGELSTOCK

The Clerk called the bill (S. 843) for the relief of Rabbi Eugene Feigelstock.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Rabbi Eugene Feigelstock shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KIRILL MIHAILOVICH ALEXEEV ET AL.

The Clerk called the bill (S. 855) for the relief of Kirill Mihailovich Alexeev, Antonina Ivonovna Alexeev, and minor children, Victoria and Vladimir Alexeev.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Kirill Mihailovich Alexeev, Antonina Ivanovna Alexeev, and minor children, Victoria and Vladimir Alexeev, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fees. Upon granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct four numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENE KRAMER AND OTTO KRAMER

The Clerk called the bill (S. 1267) for the relief of Irene Kramer and Otto Kramer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Irene Kramer and Otto Kramer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOZO MANDIC

The Clerk called the bill (S. 1129) for the relief of Jozo Mandic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Jozo Mandic, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Frank Mandich, Sr., citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ISHI WASHBURN

The Clerk called the bill (S. 986) for the relief of Mrs. Ishi Washburn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Mrs. Ishi Washburn shall be held and considered to be eligible for nonquota immigrant status if she is found admissible to the United States under the provisions of that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOSHE GIPS

The Clerk called the bill (S. 945) for the relief of Moshe Gips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Moshe Gips shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA GRANDE

The Clerk called the bill (S. 937) for the relief of Virginia Grande.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Virginia Grande shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEFAN BURDA, ANNA BURDA, AND NIKOLAI BURDA

The Clerk called the bill (S. 917) for the relief of Stefan Burda, Anna Burda, and Nikolai Burda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Stefan Burda, Anna Burda, and Nikolai Burda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUGUSTA BLEYS (ALSO KNOWN AS AUGUSTINA BLEYS)

The Clerk called the bill (S. 915) for the relief of Augusta Bleys (also known as Augustina Bleys).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Augusta Bleys (also know as Augustina Bleys) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRUNO EWALD PAUL AND MARGIT PAUL

The Clerk called the bill (S. 912) for the relief of Bruno Ewald Paul and Margit Paul.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act,

Bruno Ewald Paul and Margit Paul shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SEC. 2. The Attorney General shall not hereafter exclude or deport Bruno Ewald Paul from the United States on the ground that he has been convicted of a crime involving moral turpitude or admits the commission thereof: *Provided,* That this exemption shall apply only to a ground for exclusion or deportation of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBINA SICAS

The Clerk called the bill (S. 891) for the relief of Albina Sicas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (4) of the Immigration and Nationality Act, Albina Sicas may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *And provided further,* That the said Albina Sicas shall be held and considered to be the minor child of her mother, Mrs. Hilda Sicas.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRUNHILDE WALBURGA GOLOMB, RALPH ROBERT GOLOMB, AND PATRICIA ANN GOLOMB

The Clerk called the bill (S. 1225) for the relief of Brunhilde Walburga Golomb, Ralph Robert Golomb, and Patricia Ann Golomb.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Brunhilde Walburga Golomb, the fiancé of Sgt. Robert F. Hartsworm, a citizen of the United States, and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months, if the administrative authorities find (1) that the said Brunhilde Walburga Golomb is coming to the United States with a bona fide intention of being married to the said Sgt. Robert F. Hartsworm, and (2) that they are otherwise admissable under the Immigration and Nationality Act. In the event the marriage between the above named persons does not occur within 3 months after the entry of the said Brunhilde Walburga Golomb and the two minor children, Ralph Robert Golomb and Patricia Ann Golomb, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above named persons shall occur within 3 months after the entry of the said Brunhilde Walburga Golomb and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Brunhilde Walburga Golomb and her two minor children, Ralph Robert Golomb and Patricia Ann Golomb, as of the date of the payment by them of the required visa fees: *Provided,* That the exemption granted herein shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Brunhilde Walburga Golomb Hartsworm may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act for the relief of Brunhilde Walburga Golomb Hartsworm."

A motion to reconsider was laid on the table.

OLGA BALABANOV AND NICOLA BALABANOV

The Clerk called the bill (S. 1313) for the relief of Olga Balabanov and Nicola Balabanov.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Olga Balabanov and Nicola Balabanov shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. ISHAI BEN ASHER

The Clerk called the bill (S. 1362) for the relief of Rev. Ishai Ben Asher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Rev. Ishai Ben Asher shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the the date of the enactment of this act, upon payment of the required visa fee. The Attorney General is directed to cancel any outstanding order and warrant for the deportation of Rev. Ishai Ben Asher as well as the deportation proceedings heretofore instituted against him. After the granting of permanent residence to the said Rev. Ishai Ben Asher under the provisions of this act, he shall not hereafter be subject to exclusion or deportation from the United States by reason of any facts upon which the said deportation proceeding was based.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERHARD NICKLAUS

The Clerk called the bill (S. 1477) for the relief of Gerhard Nicklaus.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (4) of the Immigration and Nationality Act, Gerhard Nicklaus may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID MAISEL (DAVID MAJZEL) AND BERTHA MAISEL (BERTA PIESCHANSKY MAJZEL)

The Clerk called the bill (S. 1490) for the relief of David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLO (ADIUTORE) D'AMICO

The Clerk called the bill (S. 1841) for the relief of Carlo (Adiutore) D'Amico.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Carlo (Adiutore) D'Amico shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JOHN D. MacLENNAN

The Clerk called the bill (S. 1850) for the relief of Dr. John D. MacLennan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Dr. John D. MacLennan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMALIA SANDROVIC

The Clerk called the bill (S. 1860) for the relief of Amalia Sandrovic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Amalia Sandrovic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was land on the table.

ANTHONY N. GORAIEB

The Clerk called the bill (S. 1954) for the relief of Anthony N. Goraieb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Anthony N. Goraieb shall be considered to have been registered on the waiting list for intending immigrants for the quota for Lebanon as of April 17, 1945, the date on which American consular officers abroad were authorized to resume registration of intending immigrants.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EDWARD E. JEX

The Clerk called the bill (S. 2009) for the relief of Mrs. Edward E. Jex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Mrs. Edward E. Jex may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH ROBIN GRONINGER

The Clerk called the bill (S. 2036) for the relief of Joseph Robin Groninger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Joseph Robin Groninger shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. HENDRIK VAN DER TUIN

The Clerk called the bill (S. 2065) for the relief of Mr. and Mrs. Hendrik Van der Tuin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mr. and Mrs. Hendrik Van der Tuin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MICHIO YAMAMOTO

The Clerk called the bill (S. 2677) for the relief of Michio Yamamoto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Michio Yamamoto shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required via fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ERIKA GISELA OSTERAA

The Clerk called the bill (S. 2820) for the relief of Mrs. Erika Gisela Osteraa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Mrs. Erika Gisela Osteraa shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA HERTA GESCHWANDTNER

The Clerk called the bill (S. 2960) for the relief of Barbara Herta Geschwandtner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Barbara Herta Geschwandtner may be admitted to the United States for permanent residence if otherwise admissible under that act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act: *And provided further,* That she marries her citizen fiancé, Cpl. Marvin C. Drum, within 6 months following the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CPL. ROBERT D. McMILLAN

The Clerk called the bill (S. 599) for the relief of Cpl. Robert D. McMillan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cpl. Robert D. McMillan (Army serial number RA–17053963), the sum of $1,806.72, in full settlement of all claims against the United States on account of damage to, or loss or destruction of his personal property in a fire that occurred at the Branch United States Disciplinary Barracks, Milwaukee, Wis., on February 24, 1950; the said claim of Cpl. Robert D. McMillan being a claim that is not cognizable under the Federal Tort Claims Act, as amended: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 4, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. ROLLINS S. EMMERICH

The Clerk called the bill (S. 1203) for the relief of Lt. Col. Rollins S. Emmerich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Col. Rollins S. Emmerich, of Alexandria, Va., the sum of $221.49 in full satisfaction of his claim against the United States for reimbursement of expenses incurred by him in transporting his private automobile from Pusan, Korea, to Kobe, Japan, in connection with the evacuation of Korea by American personnel ordered by the United States Ambassador to Korea on June 27, 1950: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GIVENS CHRISTIAN

The Clerk called the bill (S. 2070) for the relief of Givens Christian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Givens Christian, late a deputy sheriff of Union County, Ky., the sum of $5,000, in full satisfaction of all claims against the United States for the death of the said Givens Christian on or about June 2, 1948, sustained as a result of his being run over by an Army truck driven by a soldier who was attempting to escape from the custody of the said Givens Christian: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL BERNSTEIN

The Clerk called the bill (H. R. 3742) for the relief of Paul Bernstein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Paul Bernstein, of Brooklyn, N. Y., the sum of $797.78. The payment of such sum shall be in full settlement of all claims of the said Paul Bernstein against the United States arising out of services rendered by him to the United States between June 30, 1936, and November 1, 1939, as an employee of the Federal Works Agency, Work Projects Administration, New York City. Such sum is the amount due the said Paul Bernstein for sick leave and annual leave, earned but not taken by him before a retroactive transfer to an agency under a different leave system. Similar payments may now be made under the subsequently enacted provisions of the act approved December 21, 1944 (U. S. C., 1946 ed., Supp. V, title 5, sec. 61d): *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES DORE, JR.

The Clerk called the bill (H. R. 7508) for the relief of James Dore, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to reinstate the national service life insurance (N-3847155; SN-33224919) issued to James Dore, Jr., (Veterans' Administration claim No. C-10479200), if the said James Dore, Jr., within 6 months after the date of enactment of this act, files application requesting such reinstatement and tenders therewith an amount sufficient to pay the premiums for such insurance for a period of at least 2 months. Upon reinstatement of such insurance (1) all premiums for such insurance for the period commencing December 1, 1947, and ending on the date of reinstatement of such insurance under this act, shall be held and considered to have been paid, (2) the amount tendered pursuant to the first sentence, less an amount equal to the premiums for such insurance for 1 month, shall be applied as premiums for such insurance for the period immediately following the date of the reinstatement of such insurance under this act, and (3) the said James Dore, Jr., shall be entitled to receive all of the rights, benefits, and privileges which he would have been entitled to receive with respect to such insurance if such insurance had been continuously in effect during the period beginning December 1, 1947, and ending on the date of reinstatement of such insurance under this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HELEN ALDRIDGE

The Clerk called the bill (H. R. 7636) for the relief of Mrs. Helen Aldridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Helen Aldridge, El Paso, Tex., the sum of $20,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Helen Aldridge against the United States arising out of the death of her husband, Jesse Aldridge, who was killed while walking across the international bridge between El Paso and Juarez, Mexico, on August 30, 1951, when he was struck by a bullet fired by a Mexican policeman who had been improperly permitted by officers of the United States Immigration Service to enter United States territory in pursuit of a fugitive: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$20,000" and insert "$10,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. M. HESS

The Clerk called the bill (H. R. 7762) for the relief of M. M. Hess.

There being no objection, the Clerk read the bill, as follows:

Be it enacted,, etc., That the claim of M. M. Hess, of 226 North State Street, Litchfield, Ill., for relief under section 322 (b) (1) of the Internal Revenue Code shall be held and considered to have been received by the Internal Revenue Department of the United States within the time allowed by law and regulations for the filing of such a claim: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE D. KYMINAS

The Clerk called the bill (H. R. 669) for the relief of George D. Kyminas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, George D. Kyminas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 7, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISRAEL RATSPRECHER AND MARYSE RATSPRECHER

The Clerk called the bill (H. R. 787) for the relief of Israel Ratsprecher and Maryse Ratsprecher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Israel Ratsprecher and Maryse Ratsprecher shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 8, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EMMA MARTHA STAACK

The Clerk called the bill (H. R. 818) for the relief of Mrs. Emma Martha Staack.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mrs. Emma Martha Staack shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATSUKO KIYOTA SZEKERES

The Clerk called the bill (H. R. 842) for the relief of Atsuko Kiyota Szekeres.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Atsuko Kiyota Szekeres, who lost United States citizenship under the provisions of section 401 (e) of the Nationality Act of 1940, as amended, may be naturalized by taking prior to 1 year after the effective date of this act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said act.

With the following committee amendment:

On page 1, line 10, after the word "act" change the period to a semicolon and insert the following: "*Provided*, That she is not found to be disqualified from becoming a citizen by reason of section 313 of that act: *Provided further*, That failure to reestablish her residence in the United States within a period of 18 months following the enactment of this act shall bring about a divestiture of United States citizenship thereby acquired."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to restore United States citizenship to Atsuko Kiyota Szekeres."

A motion to reconsider was laid on the table.

FRANCISZEK WOLCZEK

The Clerk called the bill (H. R. 905) for the relief of Franciszek Wolczek.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Franciszek Wolczek, Alien Registration No. A-6159685, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANOULA PANAGOPOULOS

The Clerk called the bill (H. R. 950) for the relief of Panoula Panagopoulos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of the Immigration and Nationality Act, Panoula Panagopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WAI-JAN LOW FONG

The Clerk called the bill (H. R. 1171) for the relief of Mrs. Wai-Jan Low Fong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Mrs. Wai-Jan Low Fong shall be held and considered to be a nonquota returning resident alien, as defined by section 4 (b) of the Immigration Act of 1924, as amended.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, in the administration of the Immigration and Nationality Act, Mrs. Wai-Jan Low Fong shall be held and considered to be a nonquota returning resident alien as defined by section 101 (a) (27) (B) of that act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STYLIANOS HARALAMBIDIS

The Clerk called the bill (H. R. 1209) for the relief of Stylianos Haralambidis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Stylianos Harlambidis shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On page 1, lines 3 and 4, strike out "immigration and naturalization laws" and substitute "Immigration and Nationality Act."

On page 1, line 7, insert a period after the words "visa fee" and strike out the remainder of the bill.

The amendments were agreed to.

Mr. GRAHAM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM: On page 1, lines 4 and 5, strike out the name

"Harlambidis" and substitute "Haralambidis."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Stylianos Haralambidis."

A motion to reconsider was laid on the table.

GEORGINA CHINN

The Clerk called the bill (H. R. 1324) for the relief of Georgina Chinn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2 of the act of December 17, 1943, as amended (8 U. S. C. 212 (a)), and for the purpose of sections 4a and 9 of the Immigration Act of 1924, as amended, the minor child, Georgina Chinn, shall be held and considered to be the natural-born alien child of Harold N. Chinn, a citizen of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Georgina Chinn shall be held and considered to be the natural-born alien child of Harold N. Chinn, a citizen of the United States."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BETTY E. LaMAY

The Clerk called the bill (H. R. 1897) for the relief of Mrs. Betty E. LaMay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Betty E. LaMay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 17, 1950, the date on which she entered the United States, upon the payment of the required visa fee and head tax.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of the Immigration and Nationality Act, Mrs. Betty E. LaMay shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IVO MARKULIN

The Clerk called the bill (H. R. 2051) for the relief of Ivo Markulin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Ivo Markulin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SMITH of Wisconsin. Mr. Speaker, that concludes the calendar for the day. We have no reports on the remaining bills.

GRANTING PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 254), which is No. 1026 on the calendar and in which about 25 Members of the House are interested.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There being no objection, the Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6682832, Abraham, Joseph Heskel.
A-6517191, Fiala, Anna Elisabeth.
A-6517192, Fiala, Emerich.
A-6420597, Fiala, Silvio Emerich.
A-7863237, Fridenwalds, Alida.
A-7863236, Fridenwalds, Eris.
A-7863238, Fridenwalds, Ivars.
A-7962367, Millevoi, Miro, or Casimiro Millevoi.
A-9526008, Mow, How Shan.
A-6050640, Nawrocki, Irene or Bytniewska (nee Raciborska).
A-6967645, Shih, Usang-Lung.
A-8155725, Aikler, Antonio or Anthony.
A-9280465T, Andjelini, Joseph.
A-8039701, Babich, John.
A-7244982, Bierman, Mariam.
A-9244983, Bierman, Zbighiew Edward.
A-7863022, Bills, Eriks Arturs.
A-7249879, Butlers, Alfreds.
A-7249878, Butlers, Anna.
A-7250164, Butlers, Taiga.
A-7849222, Cakste, Katherine Konstance, or Kitty Cakste.
A-17849223, Cakste, Anastasija (nee Stipnieks).
0300-402166, Chan, Chock.
0300/414144, Chan, Yok.
A-6702181, Chang, Yeanne Chung Kwang Ward.
A-6967712, Chang, Zee, or Alfred Zee Chang, or Alfred Chang.
0300-415492, Chao, Lin, or Lam Chiu.
A-6620867, Chao, Mrs. Mary (nee Chang).
A-6620866, Chao, Sally.
A-6620696, Chao, Helen.
A-6620869, Chao, Robert.
A-6967478, Chen, Simon Ko-Siang.
A-7640625, Ching, Chang or Alice Chang Loo.
A-8057915, Chong, Moo.
A-8065358, Chong, Wong Wing or Wong Wing.
A-8065446, Choy, Yee.
T-666666, Chu, Tsoo-Whe.
T-666667, Chu, Sou-Mei Chen.
0501-19723, Chu, Sou-Lien or Dorothy Chu.
0501-19634, Chu, Chun-Liu or Clive Chu.
0501-19635, Chu, Cheng-Wu or Sherwood Chu.
A-6735293, Chu, Han-Ping or Glorida Chu.
A-9151151, Chu, Yu Fu.
A-7099687, Chu-Tow, Mabel S. or Mabel Cho-Shin Chu or Mabel C. S. Dor.
A-8057309, Chun, Chang or Chong For Po.
A-7079579, Chun, Rose Ting or Rose Ju-Yu Ting.
A-6730484, Danhu, Emily Isa or Emily Daniels.
A-7243858, Dankers, Vilis.
A-9562975, Dee, Chan San.
A-7061869, Doo, Kyi-Ioong or Gerald Kyi-Ioong Doo.
A-684771, Doo, Tseng-Hsiang or Lucy Tseng-Hsiang Doo.
A-7050046, Duck, Choy Kun or Choy Pak.
A-7962195, Faldich, Ermano.
A-7351657, Farnadi, Dezso Geroge.
A-9560954, Fat, Chan Ping or Woo Lin.
A-4840603, Fook, Yeung.
A-7348811, Freienbergs, Janis.
A-7863241, Freimuts, Arvids.
A-7863242, Freimuts, Inara.
A-7863243, Freimuts, Alise.
A-6933877, Friedman, Bernath.
A-6967568, Fu, Chen.
A-6698393, Fuchs, Ignac.
A-6698394, Fuchs, Regina.
0300-406016, Fung, Ng.
A-6857685, Georgescu, Haralamb H. or Haralamb Georgescu or Gorge Haralambre or Harald Georges.
A-6857686, Georgescu, Daisy Alice or Daisy Alice Odile Georgescu, formerly Daisy Alice Odile Michailescu (nee Daisy Alice Odile Kern).
0300-28896, Gong, Chee.
A-6982900, Hasenfeld, Alexander.
A-6704063, Ho, Hsing Ching (nee Chang) or Deanna Ho.
A-8065448, Hoom, Leung See.
A-6690371, Houri, Emelie J.
A-6690375, Houri, Yvette Joseph.
A-7298503, Hsi, Kung K'ai.
0300-392667, Huang, Kenneth Kang.
0500-38567, Huang, Meng Cho or Dick Huang.
A-7056902, Iee, Huo-Sheng.
A-8196137, Kan Fan.
A-6507005, Katem, Alice Semele Elizabeth.
A-6887704, Kent, Frederick George or Bedrich Salansky.
A-7073773, Kertesz, Hargit Kornelia Maria.
0804-6263, Kertesz, Agnes Martha.
A-7898855, Koh, Hoo Ah or Ah Koh Hoo.
A-9633956, Kok, Ah or Lui Kok or Ah Koh.
A-8190272, Kow, Low or Lou Kou.
A-9778388, Kow, Tsang.
A-6855585, Kuan, Tak Kong or Kuan Tak Kong.
A-6851469, Hsu, Rosana Wen Hsing or Wen Hsing Hsu or Hsu Wen Hsiang.
A-8091378, Kwai, Lee.
A-9211255, Kwan, Lam.
A-8082015, Kwang, Chan Gee or Chan Kwang.
A-9245409, Lam, Chau or Chow Lam or Lam Chau.
A-6887564, Lamberts, Andrejs Andris.
A-6897067, Landau, Simcha or Sidney.
A-6403577, Lee, Mei Rau or Mei Yoi Lee or Madelina Mei Rau Lee.
A-8001236, Lee, Yuen or Li Yuen.
A-6833462, Li, Li (nee Lu).
A-6975626, Lin, Yee Sang.
A-7962366, Ling, Ping Chung.
A-7809909, Ling, Yu Ru Yuan.
A-8015149, Lizzul, Giovanni Maria.
A-9743559, Lock, Ying or Lock Ying.
0300-161017, Lung, Lam Ah.
A-6703359, Ma, John Baptist or Tsiun Fa Ma.
A-6772580, Madison, George.
A-6953280, Mak, Wei Kang.
A-6962953, Mak, Marion An Wing.

A-9710391, Matkovic, Petar.
A-9745494, Miksons, Alfreds Alexsanders.
A-9836851, Ming, Kwok.
A-6851454, Moeson, Florence Tsui-Yung Tan (nee Tsui-Yung Tan).
A-7138420, Nowicki, Stanislawa.
0400/46406, Nowicki, Paul Zygmunt.
A-7241994, Osis, Karlis.
A-7241995, Osis, Emma.
A-6971762, Ounpuu, Edward Johannes.
A-6971790, Ounpuu, Alviine.
A-6381295, Pan, Lan or Pan Nien Tze.
0300-403720, Pezzulich, Francesco.
A-9825156, Pizestrzelski, Kazimierz.
A-6355174, Poe, Leong or Leong Kwong.
A-8091319, Poglianich, Claudio.
A-6805619, Rashty, Aziz Khedoori.
A-6819607, Reuben, Eliahoo Menashy.
A-7439273, Rostas, Ilona formerly Rottenstein.
A-7282693, Sabel, Dezso.
A-7292689, Sabel, Roza.
A-7282690, Sabel, Oszkar.
A-7282691, Sabel, Sandor.
A-7282692, Sabel, Elza.
A-8082092, Salamon, Carlo.
A-7967450, Sassoon, Salman Saleh Hakham.
A-6441717, Shio, Cheng.
A-9778387, Sin, Lee See.
A-8057261, Sing, Man.
A-6704254, Siwek, Jadwiga.
A-7243267, Soccolich, Giulio Roberto.
A-7991771, Stipanov, Petar.
A-9124876, Sun, Som Cheung.
A-7250499, Tang, Tse-Ming or Constance Tse-Ming Tang.
A-7056850, Teitelbaum, Leopold.
A-6923159, Tibor, Wollner.
A-8190346, Toh, Lam Kong or Siw Ning Lim.
0300-405914, Tong, Ling or Ling Kam.
A-6928455, Tse, Tong.
0501-19742, Tseng, Ching Lam.
0501-19745, Tseng, Shu Chuan Lo.
0501-19743, Tseng, David Yuin-Chi.
0501-19747, Tseng, Nancy Yuin-Ming.
0501-19741, Tseng, Bamber Yuin-Chung.
A-8039693, Tsong, Chang Ngok.
A-6916021, Tyrnauer, David.
A-7184429, Tyrnauer, Helen (nee Grunfeld).
A-9669174, Viemann, Peeter or Peter Weinman.
0300-421694, Wah, Chan.
A-6178340, Wan, Jeh-Chai or Jack Chai Wan.
A-9561565, Wan, Ng.
A-6953084, Wang, Doris Hsueh Pih (nee Chen).
A-6542213, Wang, Jen Hsien.
0501-19695, Wang, Ling Nyi Vee or Mrs. Shou-Chin Wang.
0501-19699, Wang, I, Chyau or Daniel I.-Chyau Wang.
0501-19698, Wang, Ju Yuan or Judy Ju-Yuan.
A-6910233, Wang, Sui (nee Yen) or Dr. Sui Yen.
A-7069100, Weiss, Eugene.
A-7356381, Weiss, Rosa.
A-8091548, Wen, Tsang.
A-9635431, Wen, Wong Hsin.
A-8106936, Wing, Lee or Chester Lee.
A-7079928, Wolf, Magdolna (nee Zimmerman) or Magda or Madeleine Wolf.
0300-387747, Wone, Nom.
A-6699851, Wou, Leo Shang.
A-6923203, Wu, Tzu Lin.
0300-417752, Yeong, Tsang or Twang Young.
A-7511752, Yueh, Herman Yu-Heng or Yu-Heng Yueh.
0300-458536, Yung, Chan.
A-7118700, Arnolda, Sister or Tsui Hwa Chang.
A-6053039, Chan, Choy.
0300-402234, Chang, Yuan Ah or Chang Ah Yuan or Ah Hsiang Yuen or Yuen Ah Hsiang.
A-8039780, Chao, Ah Chang.
A-9167093, Fat, Lam.
A-7249876, Feimanis, Voldis.
A-9037851, Fook, Yip or Fook Yey.
A-7863029, Gaide, Janis Voldemars.
A-8190487, Hoy, Chen or Chan Hoi.
A-6694100, Hsi-Tsao, Ching or Frank.
A-8091391, Hsing, Cheng Ho or Cheng Wo Hing.
A-7244981, Innus, Martins Arvids.
A-7125153, Jallouk, Rafiq.
A-7125162, Jallouk, Nelli Shammes.
A-7863244, Jankevics, Pauls Alexanders.
A-7863245, Jankevics, Alise Valija.
A-6971752, Kalde, Enn.
A-6971788, Kalde, Ida Rosilda.
A-6971773, Ruut, Priit.
0300-352483, Kwong, So.
A-8065349, Ling, Tang Kin.
A-7863200, Pienups, Janis.
A-7863201, Pienups, Anna.
A-7863202, Pienups, Inars.
A-6959829, Pour, Ivan George.
176/1140, Shin, Tsang Kun.
A-6845497, Sun, Wellington I-Tsung.
A-6628887, Sun, Ying-Seng Yeng or Ying-Sheng Yen.
A-6845498, Sun, Gerald Tze-Ping.
A-6627388, Sun, Teddy Tze-Ho.
A-6905013, Tauber, Armin.
0300-238968, Tauber, Esther Chard.
0300-113720, Tauber, Josef.
0300-414479, Tsing, Ching.
0300/18249, Tsu, Lung Shi.
A-6940565, Woo, Ji Jih, or Chi Chieh Hu or Hu Chi-Chieh.
A-7118706, Yao, Ching Ju or Sister Antsila.
A-6986583, Yao, Chu Sheng.
A-8091362, Yee, Lee.
0300/400014, Yung, Ming.
A-6949477, Altoja, Ants.
A-6949478, Altoja, Maria.
A-7809994, Belz, Juda.
A-7809010, Belz, Krajndla Waks.
0300/397598, Bing, Ng.
0300/397512, Bit, Kai Kong.
A-7962368, Carcich, Domenico.
A-9635193, Chan, Fook or Chan Fook.
A-7491704, Chang, Chung Fu.
A-7841171, Chang, Shan Fin (nee Chen).
0200-86200, Chang, Robert Shihman.
A-7469989, Chang, Yinette Yu.
A-6884721, Chang, Yi-Chung.
V-33406, Chang, Ta-Chuang Lo.
A-7377001, Chang, Yuan Yang.
A-6847876, Chao, Chen-Sung.
A-9782694, Che, Chen Chung or Chi.
A-6848004, Chen, Ning Shing or Nicholas Sing Chen.
A-7118701, Chen, Shih-Yuan.
A-9831315, Chen, Yi Fu or Yi Fu Chen or Nee Fu Chen.
0401-19333, Chen, Betty or Betty Yi Fu Chen.
A-6141277, Chen, You-Min.
V-611691, Chen, You-Li (nee She).
0300-391264, Cheng, Tong or Cheng Tung.
A-8039699, Chi, An Chang.
0300/412426, Chik, Lam.
A-6967716, Cho, Alfred Chih-Fang.
A-9528818, Choe, Cheng Ka.
A-7243257, Chouprov, Vcevolod Mathew.
0300-398161, Chow, Low or Chow Low or Lou Choy or Lou Joe.
0300-410648, Choy, Dai.
A-9798380, Chu, Lee Chong.
A-6982875, Chung, Mary A.
A-9738866, Drensky, Groziu Nicolaef.
A-7809777, Eng, Chong Park or Wo Po or Ng Park.
A-7948353, Erikson, Johan.
A-9528817, Fah, Wong Hwa.
A-6923151, Fisch, Moses.
0300-245718, Fisch, Serena.
A-7138327, Fischhof, Maria.
A-8091357, Fong, Lo Wai.
0300-420478, Foo, Li.
A-9530725, Franelic, Justin.
A-7088621, Frideczky, Jozef Istvan.
A-7097507, Frideczky, Erzsebet Eva Maria.
A-7090885, Frideczky, Ferenc Antal Andras.
A-6848205, Friedlander, Adolf.
A-8106517, Fung, Liang Chung.
A-6989377, Gineika, Leopoldas.
A-8082012, Goh, Chin Hee.
A-6848193, Grinberg, Jozef.
A-6696238, Hayim, Albert Joseph.
A-9777290, Hee, Lau or Liu Shi or Lau Chee.
A-9561135, Hing, Heng Pow.
A-7726007, Hsi, Teh Tsang.
A-6041697, Hu, Alexius Yuan or Chungling Hu or Yuan Hu or Alexius Hu Yuan.
V-57211, Huang, Chin-Chun.
A-9765965, Hung, Yan Si.
A-8091388, Kam, Choy.
A-6864078, Kampe, Albert Valdemar.
A-6971751, Kangur, Justin or Juri.
A-6971750, Kangur, Esisauteta.
A-6971745, Kangur, Arno.
A-6627321, Kao, Wayne King or Wen Chun Kao.
A-6742035, Kao, Mabel Chen or Mei Pu Chen.
0300-440248, Kim, Soo or Ah Pat.
A-7640623, Kit, Loo Man or Man Kit Loo or Melvyn Loo or Loo Min-Chieh.
A-9518348, Kong, Chin or Chan Sang.
A-7095524, Kose, Bernhard or Bernhard Germann.
A-8021272, Kue, Bok Leng.
A-7274020, Yuk, Fay Choy.
A-8091390, Kwan, Chan or Kwan Chan or William Chan.
A-9686567, Kwong, Wong or Kwong Wong.
A-6938805, Lacis, Peter.
A-9190756, Lai, Tung.
A-9574851, Lau, King Teng.
A-7922860, Lee, Choi.
A-7120689, Lee, Frank Hsu Hwi.
A-8190038, Lee, Johnne or Lee Ching.
A-6971812, Lepson, Rein.
A-6971744, Lepson, Helmi (nee Harma).
A-6971797, Lepson, Indrek.
A-79622250, Li, Tsung Han.
0300-421371, Liang, Ching-Tung.
0300-423646, Liang, Yun-Chao Lin.
A-7009523, Liivat, Valdeko.
A-7095522, Liivat, Liidia.
A-6887553, Linik, Azriel Abraham or Abe Link.
A-6026149, Liu, Chang Keng.
A-6848584, Liu, Hong-Zoen (nee Jui).
0300-392467, Liu, Chu-Kai or Lau Choow—or Hwang Toi.
A-7123432, Locke, Yan-Chun or Lawrence Yan-Chun Locke or Lawrence Locke.
A-6848152, Locke, Eva Theresa (nee Eva Theresa Woo).
A-9695049, Loi, Fong.
A-6730658, Loo, Mrs. Fay or Fay Yung.
A-6971799, Lossmann, Johannes.
A-6971800, Lossmann, Helmi.
A-6971801, Lossmann, Jaan or John.
A-7064141, Lowinger, Mor.
0300-403238, Man, Shum.
A-8082025, Ming, Chan Sek.
A-6958660, Mok, May Lee.
A-6775636, Nahmias, Andre Youssef or Andre Joseph Nahmias.
A-9560888, Nai, Chan.
A-7057877, Obet, Victor.
0300-398021 On Lai or On Lia or Sai Yew.
A-6624928, Ou Felix.
0500-32371, Pei, Ching Hwa or Ching Hwa Pei Chang.
A-8082486, Po, Kwan or Kong Po or Ching Kwan Po.
0300-418801, Poa, Woo Ah.
A-7457749, Polli, Elmi.
A-7249881, Reinla, Mihkel.
A-7249873, Reinla, Maimu (nee Sade) formerly Stahl.
A-6752988, Rodman, Juliet H. Zakkai.
A-7048807, Rubin, Artur.
A-7345325, Rubin, Irena.
A-6798996, Savisaar, Ernestine.
A-6910016, Schoenfeld, Eugen.
A-9782758, Shing, Lum.
A-6731298, Shukur, Edward Khedore.
A-7056017, Sinaj, Vilian.
A-8057497, Sinaj, Liyza or Ethel (nee Moskowitz).
A-7890718, Skansi, Nikola.
A-7980295, Sojat, Savko Marko.
A-6983572, Stark, Michael.
A-7096111, Stark, Eva (nee Gancfried).

A–6938814, Sudelis, Krigs.
A–6936815, Sudelis, Elfanora.
A–6851653, Sung, Ming Yang.
A–7244294, Svede, Arthur Gustave.
A–7244299, Svede, Valija Emilija.
A–7244295, Svede, Ausma Imara.
A–7244296, Svede, Ilgvars Gunars.
A–7244297, Svede, Aris Visvaldis.
A–7244298, Svede, Vilnis.
A–7244293, Svede, Janis Olgerts.
A–9511408, Tai, Lam or Tai Lam.
A–9245009, Tak, Ko.
A–6851697, Tang, Yu-Sun.
A–6949783, Tapp, George.
A–6949784, Tapp, Maria or Maria Umb.
0500–46780, Teng, Stephen Yueh-Min.
A–7350666, Teodorescu-Valahu, Anna (nee Capitan).
A–6694104, Tikotsky, Wolf.
A–6444674, Ting, Lucy or Lucy Ju-Chen Ting.
A–8082089, Ting, Shih Yung.
A–7095529, Tomson, August.
A–7095530, Tomson, Alma.
A–6933873, Treiber, Evzen or Eugene.
0300–249547, Treiber, Helena or Helen.
A–6702188, Tseu, Margaret Teresa or Yu-Ying Tseu.
A–7193928, Tu, Tsung Cheng or Shin Jai.
A–1290133, Tuck, Joseph.
A–6702360, Tuck, May C.
A–6702361, Tuck, Sylvia E. E.
A–6971754, Uustal, Johan.
A–6971791, Uustal, Linda.
A–6971780, Uustal, Jaan.
A–7244301, Veinbergs, Talivaldis.
A–7244984, Vesik, Mihkel.
A–7244986, Vesik, Arno.
A–6986496, Wang, En Ming (nee Chen).
A–8021404, Wang, Hubert Chang-Hsu.
0300–392608, Wang, Susan or Wang Chou Chen.
A–6922671, Weissmann, Elias.
0300–244065, Weissmann, Serena.
V–795888, Wen, Adam Kung-wen or Kung-wen Wen or Kuag-wen Wen.
V–795887, Wen, Mimi Szeto-wen or Mimi Wen.
A–6271272, Wen, Ronald or Wen Shu Hsuan.
0300–420772, Wen, Judy or Wen Chi Hou Nieu.
A–6739753, Wen, David or Way Wen.
A–6739752, Wen, Louis or Loy.
0300–403935, Wood, Shi-Chioh.
0300–403935, Wood, Shu Ying Chen.
A–3268532, Yao, Nai Zer.
A–5928218, Yee, Kwak or Yee Kwak.
0300–422403, Yen, Mu Pin or Yen Pin Mu or Mubin T. Yen.
0300–422404, Yen, Margaret Chu or Chu Chuan-Chu.
A–9782659, You, Hee or Hee Leong Kee or Hee Yau Hui.
A–6855581, Zucker, Ruzena.
A–8082070, Zulich, Ivan or John or Giovanni Zulich.
A–6803911, Akka, Rouben, Ibrahim.
0300–418049, Bonetta, Carlo.
A–7056848, Brukirer, Pincus (Pinkus) or Broker.
A–7181916, Butte, Henry Wilhelm.
A–7181917, Butte, Herta Inez.
A–7243258, Carcich, Giovanni.
A–7222368, Cereobori, Luciano.
A–8065704, Chan, Lin Ah.
A–6848607, Chang, Kuo Tsun.
V–184676, Chee, Shun Chu.
A–6849466, Cheng, Hugh (Robert) Siang.
A–6949788, Childress, Helgi.
A–9513665, Chojnacki, Bogdan Joseph.
0300–429235, Chong, Ah or Li Cuk Cauk or Chong Kong.
A–6975623, Chun, Ben Hung-Ten.
A–5928208, Chung, Mok Chee or Sau Mok.
A–9765567, Ciogan, Eustafie or Christaki.
A–8021321, Coglievina, Giuseppe.
A–7243857, Dankers, Ella Rodina.
A–7244979, Ermansons, Arturs.
A–7244980, Ermansons, Anete.
A–8091315, Fat, Chan or Ching Fa.
A–6916033, Feldman, Emanuel Gerson.
0300–252494, Feldman, Chaja Ida.
A–9506918, Fong, Han Agh.
A–8082840, Fook, Chan or Chan Cheong.
0300–392291, Fook, Tsang Wah or Wah Fook Tsang.
0300–398103, Fook Wong.
A–8031972, Franza, Matteo Daniele de.
A–7125014, Halter Bela.
A–6163761, Han, Shu Tang or Yao Ling Chang.
A–8091327, Harabaglia, Hugo.
A–8082008, Helich, Stefano.
A–9694017, Hi, Chu or Joe Hee.
0300–428098, Hong, Ho Wai or Ho Yau or Hong Ho Wai.
0300–410649, Hong, Lee.
A–7111657, Hsi, Edith Yu-Shih.
A–6052464, Hsieh, Te-Cheng or Fred Shaw.
A–6505776, Hsieh, Mary Sukin Cheng.
A–6505409, Hsieh, Man Lynn.
A–6505407, Hsieh, Lucy Mei Chi.
A–6505408, Hsieh, Paul Tze-Li Ching San or Paul Hsieh.
A–6847777, Hsu, Ming Po.
A–7841813, I, Helen Yeo.
A–6651024, I, Bernard.
A–6819125, Jakubovic, Sarolta (nee Weinheber).
A–7057090, Jankai, Tibor or Tibor Deutsch.
A–7096058, Jankai, Iren (nee Alexander).
A–6694005, Jirak, Karel Boleslav.
A–7200698, Jirak, Blazena.
A–9717383, Kalmet, Arseni.
0300–410499, Kan, Tsang or Tsang Kun.
0300–331005, Kerra, Walter.
A–6095136, Khadra, Omar Abou.
0300–399097, Kit, Yu or Yu Shek.
A–8031936, Korm, Leonida.
A–7863019, Krumins, Alvine.
0300–403711, Kuen, Cheung.
A–6847968, Kuo, Kwang-Lin.
A–7241996, Kurcbaums, Vilis Pauls.
A–7241997, Kurcbaums, Mirdza Valija Csiz.
A–6356317, Kurz, Julia Beatrice (nee Cheng).
A–8196599, Kwan, Cheung.
A–7863214, Lans, Ilvars.
A–7863215, Lans, Vilma Irma (nee Birze).
A–6503645, Lebovic, Marton.
A–6712033, Lee, Kuan Lou.
0501–19708, Lee, Wei Kuo.
0501–19709, Lee, Pei-Fen Tang.
0501–19710, Lee, Bernard Shing-Shu.
0501–19711, Lee, Katherine Tseng-Shu.
A–8190046, Lee, Wing Nin.
A–7073609, Lettrich, Julius.
A–6349782, Li, Shui-Mei.
A–8001420, Lin, Shun-Hua.
A–8057857, Ling, Yuen.
A–7863020, Linis, Oktavija.
0300–390643, Lo, Kong.
A–6847928, Loe, Lucy Mary or Hsiao-Bien Loe.
A–7962031, Loodus, Arnold.
A–6012603, Martinovic, Petar.
A–7185511, Mazur, Dyonizy Piotr.
A–9290471, Meng, Foo See.
A–9836572T, Mon, Lee.
A–6887714, Niemcewicz, Josef.
A–7184072, Niemcewicz, Regina (nee Borenstein).
A–6971760, Ohakas, Evald.
A–6971782, Ohakas, Olga.
A–7243869, Ozolins, Alfred.
A–7849670, Ozolins, Ulois.
0300–423623, Pao, Lee Chen.
A–6142745, Pong, Arthur Y. Y. or Pang.
A–9643928, Pong, Wai.
A–8010467, Rasiulis, Aleksas.
A–6903775, Rimpler, Samuel.
A–6849123, Sheena, Edward Haroon.
A–6851504, Shih, Cheng.
A–7365385, Shing, Yeung or Yeung Sheng or Yang Sing.
A–7415177, Shueh, Shih-Yung or David Shueh.
A–8082003, Sing, Tsang or David Tsang.
A–7200778, Sirdleck, Anna Albertine (nee Tobolik) or Anna Albertine Ida.
0300–418899, Stankic, Ivan.
A–7210493, Streicher, Bela.
A–7210492, Streicher, Olga (nee Ehrenthal).
A–7439701, Streicher, Gabor.
A–7439700, Streicher, Otto.
A–8091341, Tang, Tseng Shu.
A–6949781, Tapp, Mihkel.
A–6949782, Tapp, Patjana (nee Vesik).
A–6949785, Tapp, Nikolai.
A–6798997, Treiman, Karl or Karlis Treimanis.
A–7863209, Trusis, Karlis.
A–7863210, Trusis, Zenta (nee Abrins).
A–7863211, Trusis, Ivar or Ivars.
A–7178945, Tsien, Maud Chaoling.
A–6694205, Tsu, Norman Chang Kang.
A–9621977, Un, Cheng Zung.
A–6798998, Vaart, Elmar.
A–7184420, Vajda, Paul or Paul Davay.
A–9948288, Vitich, George.
V–886518, Wang, Keh Chin or Richard Keh Chin Wang.
A–6026125, Wang, Kia Kang.
A–6026160, Wang, John H. or Shu Hsu Wang.
A–6028173, Wang, Jonesie or Shu-Joan Wang.
A–8082073, Wang, Yin Pao.
A–8082074, Wang, Ho Yin Lee or Alice Wang.
0300–229774, Wang, Nancy or Lindsay.
A–6918465, Wang, Elsie.
A–7060507, Werner, Karol Gabrel.
A–9526181, Wong, Ho or Wong Ho.
A–7445844, Wong, Kong Hee.
T–1892931, Woo, Chong or You Woo.
A–8106034, Wun, Chow.
A–9525850, Yee, Chow or Ng Chow Yee.
A–6967316, Yee, Pan Kut.
A–9669640, Ying, Tsing.
A–6667798, Yu, Jung Kwong.
A–6847868, Yu, Mary Ann (nee Hui Ying Lu or Mary Ann Lu).
A–8091073, Yuen, Choy or Fong Choi.
A–7469082, Zgagliardich, Ivan or Giovani Zgagliardich or John Zgagliardich.
A–8082072, Zulich, Enrico or Ricardo Zulich.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF COMMERCE TO SELL CERTAIN WAR-BUILT PASSENGER VESSELS

Mr. TOLLEFSON submitted a conference report and statement on the resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger vessels, and for other purposes.

KLYCE MOTORS, INC.

Mr. JONAS of Illinois. Mr. Speaker, I call up the conference report on the bill (H. R. 5185) for the relief of Klyce Motors, Inc., and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2272)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5185) for the relief of Klyce Motors, Incorporated, having met after full and free

conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the Senate amendment numbered 1 and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert "$91,000"; and the Senate agree to the same.

EDGAR A. JONAS,
USHER L. BURDICK,
THOMAS J. LANE,
Managers on the Part of the House.

WILLIAM LANGER,
HERMAN WELKER,
ESTES KEFAUVER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5185) for the relief of Klyce Motors, Inc., submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to such amendments, namely:

This bill as passed the House would appropriate the sum of $38,960 to the Klyce Motors, Inc., in full settlement of all claims against the United States for losses sustained under War Assets Administration sales document No. 262845, in connection with the purchase of 109 trucks, dated May 25, 1946, for which there was a breach of warranty on the part of the War Assets Administration.

The Senate increased the amount by restoring the original sum as introduced, that is, $116,982.76. The Senate also amended the bill so as to provide that no attorney shall be paid from the appropriation. At the conference the sum of $91,000 was agreed upon, and the House conferees agreed to the Senate amendment as to the proviso in connection with attorney fees.

EDGAR A. JONAS,
USHER L. BURDICK,
THOMAS J. LANE,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 646 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That during the consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

The SPEAKER. The gentleman from Ohio is recognized for 1 hour.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use, and yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. Speaker, I rise to urge the adoption of House Resolution 646 which will make in order the consideration of the bill, H. R. 9936, making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

House Resolution 646 would provide for the waiving of points of order during the consideration of the bill.

Mr. Speaker, this waiving of points of order is necessary for several very important reasons. First of all H. R. 9936 changes certain limitations which were previously set in other bills.

In chapter 11, relating to general provisions, there are the usual general provisions that have been carried for several years in one bill, rather than carrying them in each bill that is reported out by the Appropriations Committee during the session. This also necessitates the waiving of the points of order against the bill.

Section 1111 has a new piece of language which is designed to define what an obligation is. This new language has been made necessary by the fact that in the past certain agencies have called things obligations when they were not. It is hoped that this new language will clarify this whole situation.

Mr. Speaker, in the bill itself, the figure recommended by the Committee on Appropriations is $765,770,188 less than was asked for in the budget estimate.

Mr. Speaker, there is no need to emphasize to the House membership the importance of this bill. I hope that the House will adopt this rule which will allow for the waiving of points of order during the consideration of the bill.

Mr. SMITH of Virginia. Mr. Speaker, the Committee on Appropriations was unanimous in asking for this rule. I see no objection to it. I have no desire to consume any of the time of the House.

Mr. Speaker, I yield back the remainder of my time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

H. R. 9910

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9910) to amend section 413 (b) of the Foreign Service Act of 1946, be stricken from the Union Calendar and recommitted to the Committee on Foreign Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tomorrow night to file a report on the bill H. R. 9910.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON RULES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CALL OF THE HOUSE

Mr. WAINWRIGHT. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 106]

Angell	Heller	Philbin
Bailey	Hess	Powell
Barden	Kearney	Regan
Bentsen	Kersten, Wisc.	Richards
Boykin	Latham	Secrest
Brooks, La.	Long	Short
Brownson	Lucas	Sieminski
Buckley	Lyle	Sikes
Camp	McGregor	Simpson, Pa.
Curtis, Nebr.	McMillan	Sutton
Davis, Tenn.	Mailliard	Thompson, La.
Dingell	Miller, N. Y.	Thompson, Tex.
Dodd	Morrison	Weichel
Fallon	Norblad	Wheeler
Fisher	Osmers	Whitten
Fulton	Patman	Willis
Grant	Patten	
Harris	Perkins	

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program of the day and the conclusion of special orders heretofore entered.

HOUSING ACT OF 1954

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities—the so-called housing bill—and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2271)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, having met, after full and free conference, have

agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Housing Act of 1954'.

"TITLE I—FEDERAL HOUSING ADMINISTRATION

"Amendments of title I of the National Housing Act

"SEC. 101. (a) Section 2 (a) of the National Housing Act, as amended, is hereby amended—

"(1) by striking out the period at the end of the second sentence and by inserting a colon and the following: *'Provided,* That with respect to any loan, advance of credit, or purchase made after the effective date of the Housing Act of 1954, the amount of any claim for loss on any such individual loan, advance of credit, or purchase paid by the Commissioner under the provisions of this section to a lending institution shall not exceed 90 per centum of such loss.'; and

"(2) by inserting at the end thereof the following:

"'After the effective date of the Housing Act of 1954, (i) the Commissioner shall not enter into contracts for insurance pursuant to this section except with lending institutions which are subject to the inspection and supervision of a governmental agency required by law to make periodic examinations of their books and accounts, and which the Commissioner finds to be qualified by experience or facilities to make and service such loans, advances or purchases, and with such other lending institutions which the Commissioner approves as eligible for insurance pursuant to this section on the basis of their credit and their experience or facilities to make and service such loans, advances or purchases; (ii) only such items as substantially protect or improve the basic livability or utility of properties shall be eligible for financing under this section, and therefore the Commissioner shall from time to time declare ineligible for financing under this section any item, product, alteration, repair, improvement, or class thereof which he determines would not substantially protect or improve the basic livability or utility of such properties, and he may also declare ineligible for financing under this section any item which he determines is especially subject to selling abuses; and (iii) the Commissioner is hereby authorized and directed, by such regulations or procedures as he shall deem advisable, to prevent the use of any financial assistance under this section (1) with respect to new residential structures that have not been completed and occupied for at least six months, or (2) which would, through multiple loans, result in an outstanding aggregate loan balance with respect to the same structure exceeding the dollar amount limitation prescribed in this subsection for the type of loan involved.'

"(b) As used in the amendments made by subsection (a) of this section 'effective date of the Housing Act of 1954' shall mean the first day after the first full calendar month following the date of approval of the Housing Act of 1954.

"SEC. 102. Section 2 (f) of said Act, as amended, is hereby amended by adding the following at the end thereof: 'The account heretofore established in connection with insurance operations under this section and identified in the accounting records of the Federal Housing Administration as the Title I Claims Account shall be terminated as of August 1, 1954, at which time all of the remaining assets of such account, together with deposits therein for the account of obligors, shall be transferred to and merged with the account established pursuant to this subsection. Moneys in the account established pursuant to this subsection not needed for the current operations of the Federal Housing Administration may be invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States.'

"SEC. 103. Section 8 of said Act, as amended, is hereby amended by striking the period at the end of subsection (a) and inserting a colon and the following: *'And provided further,* That no mortgage shall be insured under this section after the effective date of the Housing Act of 1954, except pursuant to a commitment to insure issued on or before such date.'

"Amendments of title II of National Housing Act

"SEC. 104. Section 203 (b) (2) of said Act, as amended, is hereby amended to read as follows:

"'(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $20,000 in the case of property upon which there is located a dwelling designed principally (whether or not it may be intended to be rented temporarily for school purposes) for a one- or two-family residence; or $27,500 in the case of a three-family residence; or $35,000 in the case of a four-family residence; and not to exceed an amount equal to the sum of (i) 95 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, 90 per centum) of $9,000 of the appraised value (as of the date the mortgage is accepted for insurance), and (ii) 75 per centum of such value in excess of $9,000, except that the President may increase such dollar amounts up to not to exceed $10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public interest: *Provided,* That if the mortgagor is not the occupant of the property the principal obligation of the mortgage shall not exceed an amount equal to 85 per centum of the amount computed under the foregoing provisions of this paragraph (2): *Provided further,* That the mortgagor shall have paid on account of the property at least 5 per centum (or such larger amount as the Commissioner may determine) of the Commissioner's estimate of the cost of acquisition in cash or its equivalent.'

"SEC. 105. Section 203 (b) (3) of said Act, as amended, is hereby amended to read as follows:

"'(3) Have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty years from the date of the insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser.'

"SEC. 106. Section 203 (b) (5) of said Act, as amended, is hereby amended to read as follows:

"'(5) Bear interest (exclusive of premium charges for insurance, and service charges if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market.'

"SEC. 107. Section 203 (c) of said Act, as amended, is amended by striking out of the second sentence the word *'Provided'* and inserting: *'Provided,* That debentures presented in payment of premium charges shall represent obligations of the particular insurance fund to which such premium charges are to be credited: *Provided further'.*

"SEC. 108. Section 203 (d) of said Act, as amended, is hereby amended by striking the period at the end thereof and inserting a colon and the following: *'And provided further,* That no mortgage shall be insured pursuant to this subsection after the effective date of the Housing Act of 1954, except pursuant to a commitment to insure issued on or before such date.'

"SEC. 109. Subsections (f) and (g) of section 203 of said Act, as amended, are hereby repealed.

"SEC. 110. Section 203 of said Act, as amended, is hereby further amended by adding the following new subsections at the end thereof:

"'(h) Notwithstanding any other provision of this section, the Commissioner is authorized to insure any mortgage which involves a principal obligation not in excess of $7,000 and not in excess of 100 per centum of the appraised value of a property upon which there is located a dwelling designed principally for a single-family residence, where the mortgagor is the owner and occupant and establishes (to the satisfaction of the Commissioner) that his home which he occupied as an owner or as a tenant was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe which the President, pursuant to section 2 (a) of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters and for other purposes" (Public Law 875, Eighty-first Congress, approved September 30, 1950), as amended, has determined to be a major disaster.

"'(i) Notwithstanding any other provision of this section, the Commissioner is authorized to insure any mortgage which involves a principal obligation not in excess of $6,650 and not in excess of 95 per centum of the appraised value, as of the date the mortgage is accepted for insurance, of a property in an area where the Commissioner finds it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas, upon which there is located a dwelling designed principally for a single family residence, and which is approved for mortgage insurance prior to the beginning of construction: *Provided,* That (1) the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or (2) the mortgagor shall be the owner and occupant of the property at the time of insurance, regardless of his credit standing, with whom a person or corporation having a credit standing satisfactory to the Commissioner, shall have entered into a written contract (a) to pay on behalf of the prospective owner and occupant all or part of the downpayment required by this paragraph agreeing to take as security a note from the latter bearing interest at the rate of not more than 4 per centum per annum, maturing after the last maturity date of principal due on the insured mortgage, with a right in the holder to accelerate maturity to a date following prepayment of the entire mortgage debt, under the terms of which note all rights of such person or corporation are subordinated to the rights of the mortgagee or assignees of the mortgagee, and (b) to guarantee payment of the insured mortgage by the owner and occupant according to the terms of the mortgage, or (3) shall be the builder constructing the dwelling; in which case the principal obligation shall not exceed 85 per centum of the appraised value of the property or $5,950: *Provided further,* That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in

suburban and outlying areas or small communities: *Provided further,* That under the foregoing provisions of this subsection the Commissioner is authorized to insure any mortgage issued with respect to the construction of a farm home on a plot of land five or more acres in size adjacent to a public highway, the total amount of insurance outstanding at any one time under this proviso not to exceed $100,000,000.'

"SEC. 111. Section 204 (a) of said Act, as amended, is hereby amended—

"(1) by striking out of the third sentence the words 'any mortgage insurance premiums paid after either of such dates' and inserting 'any mortgage insurance premiums paid after either of such dates, and any tax imposed by the United States upon any deed or other instrument by which said property was acquired by the mortgagee and transferred or conveyed to the Commissioner';

"(2) by striking out of the second proviso the words 'or under section 213 of this Act,' and inserting the following: 'or under section 213 of this Act, or with respect to any mortgage accepted for insurance under section 203 on or after the effective date of the Housing Act of 1954,'; and

"(3) by striking the period at the end thereof and inserting a colon and the following: *'And provided further,* That, notwithstanding any requirement contained in this Act that debentures may be issued only upon acquisition of title and possession by the mortgagee and its subsequent conveyance and transfer to the Commissioner, and for the purpose of avoiding unnecessary conveyance expense in connection with payment of insurance benefits under the provisions of this Act, the Commissioner is authorized, subject to such rules and regulations as he may prescribe, to permit the mortgagee to tender to the Commissioner a satisfactory conveyance of title and transfer of possession direct from the mortgagor or other appropriate grantor and to pay the insurance benefits to the mortgagee which it would otherwise be entitled to if such conveyance had been made to the mortgagee and from the mortgagee to the Commissioner'.

"SEC. 112. (a) Section 204 (d) of said Act as amended, is hereby amended by striking out of the second sentence thereof the words 'three years after the 1st day of July following the maturity date of the mortgage on the property in exchange for which the debentures were issued, except that debentures issued with respect to mortgages insured under section 213 shall mature twenty years after the date of such debentures' and inserting 'twenty years after the date thereof'.

"(b) Section 207 (i) of said Act, as amended, is hereby amended by striking out of the second sentence thereof 'ten' and inserting 'twenty'.

"(c) Section 803 (f) of said Act, as amended, is hereby amended by striking out of the second sentence thereof 'ten' and inserting 'twenty'.

"(d) Section 904 (d) of said Act, as amended, is hereby amended by striking out of the third sentence thereof the word 'ten' and inserting 'twenty'.

"(e) This section shall not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the Housing Act of 1954.

"SEC. 113. Section 204 of said Act, as amended, is hereby amended by adding at the end thereof the following new subsection:

"'(j) In the event that any mortgagee under a mortgage insured under section 203 forecloses on the mortgaged property but does not convey such property to the Commissioner in accordance with this section, and the Commissioner is given written notice thereof, or in the event that the mortgagor pays the obligation under the mortgage in full prior to the maturity thereof, and the mortgagee pays any adjusted premium charge required under the provisions of section 203 (c), and the Commissioner is given written notice by the mortgagee of the payment of such obligation, the obligation to pay any subsequent premium charge for insurance shall cease, and all rights of the mortgagee and the mortgagor under this section shall terminate as of the date of such notice.'

"SEC. 114. Section 205 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 205. (a) The Commissioner shall establish as of July 1, 1954, in the Mutual Mortgage Insurance Fund a General Surplus Account and a Participating Reserve Account. All of the assets of the General Reinsurance Account shall be transferred to the General Surplus Account whereupon the General Reinsurance Account shall be abolished. There shall be transferred from the various group accounts to the Participating Reserve Account as of July 1, 1954, an amount equal to the aggregate amount which would have been distributed under the provisions of section 205 in effect on June 30, 1954, if all outstanding mortgages in such group accounts had been paid in full on said date. All of the remaining balances of said group accounts shall as of said date be transferred to the General Surplus Account whereupon all of said group accounts shall be abolished.

"'(b) The aggregate net income thereafter received or any net loss therafter sustained by the Mutual Mortgage Insurance Fund in any semiannual period shall be credited or charged to the General Surplus Account and/or the Participating Reserve Account in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice.

"'(c) Upon termination of the insurance obligation of the Mutual Mortgage Insurance Fund by payment of any mortgage insured thereunder, the Commissioner is authorized to distribute to the mortgagor a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided,* That, in no event, shall any such distributable share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance.

"'(d) No mortgagor or mortgagee of any mortgage insured under section 203 shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Fund and the determination of the Commissioner as to the amount to be paid by him to any mortgagor shall be final and conclusive.'

"SEC. 115. Section 207 (c) of said Act, as amended, is hereby amended—

"(1) by inserting before the semicolon at the end of paragraph numbered (2) a colon and the following: *'And provided further,* That nothing contained in this section shall preclude the insurance of mortgages covering existing construction located in slum or blighted areas, as defined in paragraph numbered (5) of subsection (a) of this section, and the Commissioner may require such repair or rehabilitation work to be completed as is, in his discretion, necessary to remove conditions detrimental to safety, health, or morals';

"(2) by striking out the word 'Alaska,' in paragraph numbered (2) and inserting 'Alaska, or in Guam,'; and

"(3) by striking out paragraph numbered (3) and inserting the following:

"'(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,000 per room (or $7,200 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided,* That as to projects to consist of elevator type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of $2,000 per room to not to exceed $2,400 per room and the dollar amount limitation of $7,200 per family unit to not to exceed $7,500 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design.'

"SEC. 116. Section 207 (d) of said Act, as amended, is hereby amended by inserting the words 'of the Housing Insurance Fund' between the words 'debentures' and 'issued' in the first sentence of such section.

"SEC. 117. Section 207 (h) of said Act, as amended, is hereby amended by striking out the period at the end of the first sentence and adding the following: 'and a reasonable amount for necessary expenses incurred by the mortgagee in connection with the foreclosure proceedings, or the acquisition of the mortgaged property otherwise, and the conveyance thereof to the Commissioner.'

"SEC. 118. Section 212 (a) of said Act, as amended, is hereby amended by inserting at the end thereof the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 220 which covers property on which there is located a dwelling or dwellings designed principally for residential use for twelve or more families.'

"SEC. 119. (a) Section 213 (b) of said Act, as amended, is hereby amended by striking clauses (1) and (2) and inserting:

"'(1) not to exceed $5,000,000, or not to exceed $25,000,000 if the mortgage is executed by a mortgagor regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operations; and

"'(2) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed: *Provided,* That if at least 65 per centum of the membership of the corporation or number of beneficiaries of the trust consists of veterans, the mortgage may involve a principal obligation not to exceed $2,375 per room (or $8,550 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 95 per centum of the estimated value of the property or project when the proposed physical improvements are completed: *Provided further,* That as to projects which consist of elevator type structures, and to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design, the Commissioner may, in his discretion, increase the aforesaid dollar amount limitations per room or per family unit (as may be applicable to the particular case) within the following limits: (i) $2,250 per room to not to exceed $2,700; (ii) $2,375 per room to not to exceed $2,850; (iii) $8,100 per family unit to not to exceed $8,400; and (iv) $8,550 per family unit to not to exceed $8,900: *And provided further,* That for the purposes of this section the word 'veteran' shall mean a person who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President.'

"(b) Section 213 (c) of said Act, as amended, is hereby amended by striking from clause (1) 'paragraph (A), paragraph (C), or paragraph (D) of'.

"SEC. 120. Section 213 (f) of said Act, as amended, is hereby amended by striking the last sentence thereof.

"SEC. 121. Section 217 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 217. Notwithstanding limitations contained in any other section of this Act on

the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time), the aggregate amount of principal obligations of all mortgages which may be insured and outstanding at any one time under insurance contracts or commitments to insure pursuant to any section or title of this Act (except section 2) shall not exceed the sum of (a) the outstanding principal balances, as of July 1, 1954, of all insured mortgages (as estimated by the Commissioner based on scheduled amortization payments without taking into account prepayments or delinquencies), (b) the principal amount of all outstanding commitments to insure on that date, and (c) $1,500,000,000, except that with the approval of the President such aggregate amount may be increased by not to exceed $500,000,000.

"'It is the intent and purpose of this section to consolidate and merge all existing mortgage insurance authorizations or existing limitations with respect to any section or title of this Act (except section 2) into one general insurance authorization to take the place of all existing authorizations or limitations.'

"SEC. 122. Section 219 of said Act, as amended, is hereby amended by striking out the words 'or the Defense Housing Insurance Fund,' and inserting 'the Defense Housing Insurance Fund, or the Section 220 Housing Insurance Fund,'.

"SEC. 123. Title II of said Act, as amended, is hereby amended by adding at the end thereof the following new sections:

"'*Rehabilitation and neighborhood conservation housing insurance*

"'SEC. 220. (a) The purpose of this section is to aid in the elimination of slums and blighted conditions and the prevention of the deterioration of residential property by supplementing the insurance of mortgages under sections 203 and 207 of this title with a system of mortgage insurance designed to assist the financing required for the rehabilitation of existing dwelling accommodations and the construction of new dwelling accommodations where such dwelling accommodations are located in an area referred to in paragraph (1) of subsection (d) of this section.

"'(b) The Commissioner is authorized, upon application by the mortgagee, to insure, as hereinafter provided, any mortgage (including advances during construction on mortgages covering property of the character described in paragraph (3) (B) of subsection (d) of this section) which is eligible for insurance as hereinafter provided, and, upon such terms and conditions as he may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) As used in this section, the terms "mortgage", "first mortgage", "mortgagee", "mortgagor", "maturity date", and "State" shall have the same meaning as in section 201 of this Act.

"'(d) To be eligible for insurance under this section a mortgage shall meet the following conditions:

"'(1) The mortgaged property shall—

"'(A) be located in (i) the area of a slum clearance and urban redevelopment project covered by a Federal-aid contract executed, or a prior approval granted, pursuant to title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954, or (ii) an urban renewal area (as defined in title I of the Housing Act of 1949, as amended) in a community respecting which the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101 (c) of the Housing Act of 1949, as amended: *Provided,* That a redevelopment plan or an urban renewal plan (as defined in title I of the Housing Act of 1949, as amended), as the case may be, has been approved for such area by the governing body of the locality involved and by the Housing and Home Finance Administrator, and said Administrator has certified to the Commissioner that such plan conforms to a general plan for the locality as a whole and that there exist the necessary authority and financial capacity to assure the completion of such redevelopment or urban renewal plan, and

"'(B) meet such standards and conditions as the Commissioner shall prescribe to establish the acceptability of such property for mortgage insurance under this section.

"'(2) The mortgaged property shall be held by—

"'(A) a mortgagor approved by the Commissioner, and the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restriction or regulations. Such stock or interest shall be paid for out of the Section 220 Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; or

"'(B) by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or limited dividend or redevelopment or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation.

"'(3) The mortgage shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount—

"'(A) not to exceed $20,000 in the case of property upon which there is located a dwelling designed principally for a one- or two-family residence; or $27,500 in the case of a three-family residence; or $35,000 in the case of a four-family residence; or in the case of a dwelling designed principally for residential use for more than four families (but not exceeding such additional number of family units as the Commissioner may prescribe) $35,000 plus not to exceed $7,000 for each additional family unit in excess of four located on such property; and not to exceed an amount equal to the sum of (i) 95 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, 90 per centum) of $9,000 of the appraised value (as of the date the mortgage is accepted for insurance), and (ii) 75 per centum of such value in excess of $9,000, except that the President may increase such dollar amounts up to not to exceed $10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public interest: *Provided,* That if the mortgagor is not the occupant of the property the principal obligation of the mortgage shall not exceed an amount equal to 85 per centum of the amount computed under the foregoing provisions of this paragraph (A); or

"'(B) (i) not to exceed $5,000,000, or, if executed by a mortgagor coming within the provisions of paragraph (2) (B) of this subsection (d), not to exceed $50,000,000; and

"'(ii) not to exceed 90 per centum of the estimated value of the property or project when the proposed improvements are completed (the value of the property or project may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner); and

"'(iii) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided,* That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of $2,250 per room to not to exceed $2,700 per room and the dollar amount limitation of $8,100 per family unit to not to exceed $8,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design, except that the Commissioner may, by regulation, increase the foregoing limits by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require: *And provided further,* That nothing contained in this paragraph (B) shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section.

"'(4) The mortgage shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe, but as to mortgages coming within the provisions of paragraph (3) (A) of this subsection (d) not to exceed the maximum maturity prescribed by the provisions of section 203 (b) (3). The mortgage shall bear interest (exclusive of premium charges for insurance and service charge, if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market; contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"'(e) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"'(f) The mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided—

"'(1) as to mortgages meeting the requirements of paragraph (3) (A) of subsection (d) of this section, as provided in section 204 (a) of this Act with respect to mortgages insured under section 203; and the provisions of subsections (b), (c), (d), (e), (f), (g), and (h) of section 204 of this Act shall be applicable to such mortgages insured under this section, except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 220 Housing Insurance Fund and all references therein to section 203 shall be construed to refer to this section; or

"'(2) as to mortgages meeting the requirements of paragraph (3) (B) of subsection (d) of this section, as provided in section 207 (g) of this Act with respect to mortgages insured under said section 207, and the provisions of subsections (h), (i) (j), (k), and (l) of section 207 of this Act shall be applicable to such mortgages insured under this section, and all references therein to the Housing Insurance Fund or the Housing Fund shall be construed to refer to the Section 220 Housing Insurance Fund.

"'(g) There is hereby created a Section 220 Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby authorized to transfer to such Fund the sum of $1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Section 220 Housing Insurance Fund.

"'Moneys in the Section 220 Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Section 220 Housing Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to such Fund.

"'SEC. 221. (a) This section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist in relocating families to be displaced as the result of governmental action in a community respecting which (1) the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101 (c) of the Housing Act of 1949, as amended, or (2) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954. Mortgage insurance under this section shall be available only in those localities or communities which shall have requested such mortgage insurance to be provided: *Provided,* That the Commissioner shall prescribe such procedures as in his judgment are necessary to secure to the families to be so displaced, referred to above, a preference or priority of opportunity to purchase or rent such dwelling units: *Provided further,* That the total number of dwelling units in properties covered by mortgage insurance under this section in any such community shall not exceed the aggregate number of such dwelling units which the Housing and Home Finance Administrator, from time to time, certifies to the Commissioner to be needed for the relocation of families to be so displaced and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance authorized by this section: *Provided further,* That, with respect to any community referred to in clause (1) of this subsection, said Administrator shall not certify any dwelling units during any period when, in his opinion, the locality fails to carry out the workable program upon which said Administrator based the certification to the Commissioner that mortgage insurance under this section may be made available in such community: *And provided further,* That with respect to any community referred to in clause (2) of this subsection (but not clause (1) thereof), the number of dwelling units certified by said Administrator shall not exceed the number which he estimates to be needed for the relocation of such displaced families during the period when the project referred to in said clause (2) is being carried out.

"'(b) The Commissioner is authorized, upon application by the mortgagee, to insure under this section as hereinafter provided any mortgage which is eligible for insurance as provided herein and, upon such terms and conditions as the Commissioner may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon.

"'(c) As used in this section, the terms "mortgage," "first mortgage," "mortgagee," "mortgagor," "maturity date" and "State" shall have the same meaning as in section 201 of this Act.

"'(d) To be eligible for insurance under this section, a mortgage shall—

"'(1) have been made to and be held by a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $7,600, except that the Commissioner may by regulation increase this amount to not to exceed $8,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 per centum of the appraised value (as of the date the mortgage is accepted for insurance) of a property, upon which there is located a dwelling designed principally for a single-family residence: *Provided,* That the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent: *Provided further,* That nothing contained herein shall preclude the Commissioner from issuing a commitment to insure and insuring a mortgage pursuant thereto where the mortgagor is not the owner and occupant and the property is to be built or acquired and repaired or rehabilitated for sale and the insured mortgage financing is required to facilitate the construction or the repair or rehabilitation of the dwelling and provide financing pending the subsequent sale thereof to a qualified owner-occupant, and in such instances the mortgage shall not exceed 85 per centum of the appraised value; or

"'(3) if executed by a mortgagor which is a private nonprofit corporation or association or other acceptable private nonprofit organization, regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operation, in such form and in such manner as, in the opinion of the Commissioner, will effectuate the purposes of this section, the mortgage may involve a principal obligation not in excess of $5,000,000; and not in excess of $7,600 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $8,600 in any geographical area where he finds that cost levels so require, and not in excess of 95 per centum of the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated, for use as rental accommodations for ten or more families eligible for occupancy as provided in this section; and

"'(4) provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe, but not to exceed thirty years from the date of insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser; bear interest (exclusive of premium charges for insurance and service charge, if any) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market; and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"'(e) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

"'(f) The property or project shall comply with such standards and conditions as the Commissioner may prescribe to establish the acceptability of such property for mortgage insurance.

"'(g) The mortgagee shall be entitled to receive the benefits of the insurance as hereinafter provided—

"'(1) as to mortgages meeting the requirements of paragraph (2) of subsection (d) of this section, as provided in section 204 (a) of this Act with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), and (h) of section 204 of this Act shall be applicable to such mortgages insured under this section, except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 221 Housing Insurance Fund and all references therein to section 203 shall be construed to refer to this section; or

"'(2) as to mortgages meeting the requirements of paragraph (3) of subsection (d) of this section, as provided in section 207 (g) of this Act with respect to mortgages insured under said section 207, and the provisions of subsections (h), (i), (j), (k), and (l) of section 207 of this Act shall be applicable to such mortgages insured under this section, and all references therein to the Housing Insurance Fund or the Housing Fund shall be construed to refer to the Section 221 Housing Insurance Fund; or

"'(3) in the event any mortgage insured under this section is not in default at the expiration of twenty years from the date the mortgage was endorsed for insurance, the mortgagee shall, within a period thereafter to be determined by the Commissioner, have the option to assign, transfer, and deliver to the Commissioner the original credit instrument and the mortgage securing the same and receive the benefits of the insurance as hereinafter provided in this paragraph, upon compliance with such requirements and conditions as to the validity of the mortgage as a first lien and such other matters as may be prescribed by the Commissioner at the time the loan is endorsed for insurance. Upon such assignment, transfer, and delivery the obligation of the mortgagee to pay the premium charges for insurance shall cease, and the Commissioner shall, subject to the cash adjustment provided herein, issue to the mortgagee debentures having a total face value equal to the amount of the original principal obligation of the mortgage which was unpaid on the date of the assignment, plus accrued interest to such date. Debentures issued pursuant to this paragraph (3)

shall be issued in the same manner and subject to the same terms and conditions as debentures issued under paragraph (1) of this subsection, except that the debentures issued pursuant to this paragraph (3) shall be dated as of the date the mortgage is assigned to the Commissioner, and shall bear interest from such date at the going Federal rate determined at the time of issuance. The term "going Federal rate" as used herein means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (consisting of January through June or July through December) which includes the issuance date of such debentures, which applicable rate for each such six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of eight to twelve years from the first day of such month of May or November (or, if no such obligations are outstanding, the obligation next shorter than eight years and the obligation next longer than twelve years, respectively, shall be used), and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum. The Commissioner shall have the same authority with respect to mortgages assigned to him under this paragraph as contained in section 207 (k) and section 207 (l) as to mortgages insured by the Commissioner and assigned to him under section 207 of this Act.

"'(h) There is hereby created a Section 221 Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section, and the Commissioner is hereby authorized to transfer to such Fund the sum of $1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Section 221 Housing Insurance Fund.

"'Moneys in the Section 221 Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of such Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this section. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"'Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Section 221 Housing Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, cash adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to such Fund.'

"SEC. 124. Title II of said Act, as amended, is further amended by adding at the end thereof the following new section:

"'*Mortgage insurance for servicemen*

"'SEC. 222. (a) The purpose of this section is to aid in the provision of housing accommodations for servicemen in the Armed Forces of the United States and their families, and servicemen in the United States Coast Guard and their families, by supplementing the insurance of mortgages under section 203 of this title with a system of mortgage insurance specially designed to assist the financing required for the construction or purchase of dwellings by those persons. As used in this section, a "serviceman" means a person to whom the Secretary of Defense (or any officer or employee designated by him), or the Secretary of the Treasury (or any officer or employee designated by him), as the case may be, has issued a certificate hereunder indicating that such person requires housing, is serving on active duty in the Armed Forces of the United States or in the United States Coast Guard and has served on active duty for more than two years, but a certificate shall not be issued hereunder to any person ordered to active duty for training purposes only. The Secretary of Defense and the Secretary of the Treasury, respectively, are authorized to prescribe rules and regulations governing the issuance of such certificates and may withhold issuance of more than one such certificate to a serviceman whenever in his discretion issuance is not justified due to circumstances resulting from military assignment, or, in the case of the United States Coast Guard, other assignment.

"'(b) In addition to mortgages insured under section 203, the Commisioner may, for the purpose of this section, insure any mortgage under this section which would be eligible for insurance under section 203, except that as to mortgages so insured the maximum ratio of loan to value may, in the discretion of the Commissioner, exceed the maximum ratio of loan to value prescribed in section 203 but not to exceed in any event 95 per centum of the appraised value of the property and not to exceed $17,100: *Provided,* That a mortgage insured under this section shall have been executed by a mortgagor who is a serviceman and who, at the time of insurance, is the owner of the property and either occupies the property or certifies that his failure to do so is the result of his military assignment, or, in the case of the United States Coast Guard, other assignment.

"'(c) The Commissioner may prescribe the manner in which a mortgage may be accepted for insurance under this section. Premiums fixed by the Commissioner under section 203 with respect to, or payable during, the period of ownership by a serviceman of the property involved shall not be payable by the mortgagee but shall be paid not less frequently than once each year, upon request of the Commissioner to the Secretary of Defense or the Secretary of the Treasury, as the case may be, from the respective appropriations available for pay and allowances of persons eligible for mortgage insurance under this section. As used herein, "the period of ownership by a serviceman" means the period, for which premiums are fixed, prior to the date that the Secretary of Defense (or any officer or employee or other person designated by him) or the Secretary of the Treasury (or any officer or employee or other person designated by him), as the case may be, furnishes the Commissioner with a certification that such ownership (as defined by the Commissioner) has terminated.

"'(d) Any mortgagee under a mortgage insured under this section is entitled to the benefits of the insurance as provided in section 204 (a) with respect to mortgages insured under section 203.

"'(e) The provisions of subsections (b), (c), (d), (e), (f), (g), and (h) of section 204 shall apply to mortgages insured under this section, except that as applied to those mortgages (1) all references to the "Fund", or "Mutual Mortgage Insurance Fund", shall refer to the "Servicemen's Mortgage Insurance Fund", and (2) all references to "section 203" shall refer to this section.

"'(f) There is hereby created a Servicemen's Mortgage Insurance Fund to be used by the Commissioner as a revolving fund to carry out the provisions of this section, and the Commissioner is directed to transfer the sum of $1,000,000 to such Fund from the War Housing Insurance Fund created by section 602 of this Act. Any premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage accepted for insurance under this section, the receipts derived from the property covered by such mortgage and claims assigned to the Commissioner in connection therewith shall be credited to the Servicemen's Mortgage Insurance Fund. The principal of, and interest paid and to be paid on, debentures issued under this section, and cash adjustments and expenses incurred in the handling, management, renovation, and disposal of properties acquired under this section shall be charged to the Servicemen's Mortgage Insurance Fund. General expenses of operation of the Federal Housing Administration incurred under this section may be charged to the Servicemen's Mortgage Insurance Fund. Moneys in that Fund not needed for the current operation of the Federal Housing Administration under this section shall be deposited with the Treasurer of the United States to the credit of that Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under this section. Those purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.'

"SEC. 125. Title II of said Act, as amended, is hereby further amended by adding at the end thereof the following new section to transfer to title II the mortgage insurance program in connection with the sale of certain publicly owned property as contained in section 610 of title VI; the insurance of mortgages to refinance existing loans insured under section 608 of title VI and sections 903 and 908 of title IX; and to authorize the insurance under title II of mortgages assigned to the Commissioner under insurance contracts and mortgages held by the Commissioner in connection with the sale of property acquired under insurance contracts:

"'*Miscellaneous housing insurance*

"'SEC. 223. (a) Notwithstanding any of the provisions of this title, and without regard to limitations upon eligibility contained in section 203 or section 207, the Commissioner is authorized, upon application by the mortgagee, to insure or make commitments to insure under section 203 or section 207 of this title any mortgage—

"'(1) executed in connection with the sale by the Government, or any agency or official thereof, of any housing acquired or constructed under Public Law 849, Seventy-sixth Congress, as amended; Public Law 781, Seventy-sixth Congress, as amended; or Public Laws 9, 73, or 353, Seventy-seventh Congress, as amended (including any property acquired, held, or constructed in connection with such housing or to serve the inhabitants thereof); or

"'(2) executed in connection with the sale by the Public Housing Administration, or by any public housing agency with the approval of the said Administration, of any housing (including any property acquired, held, or constructed in connection with such housing or to serve the inhabitants thereof) owned or financially assisted pursuant to the provisions of Public Law 671, Seventy-sixth Congress; or

"'(3) executed in connection with the sale by the Government, or any agency or official thereof, of any of the so-called Greenbelt towns, or parts thereof, including projects, or parts thereof, known as Greenhills, Ohio; Greenbelt, Maryland; and Greendale, Wisconsin, developed under the Emergency Relief Appropriation Act of 1935, or of any of the village properties or employee's housing under the jurisdiction of the Tennessee Valley Authority; or

"'(4) executed in connection with the sale by a State or municipality, or an agency, instrumentality, or political subdivision of either, of a project consisting of any permanent housing (including any property acquired, held, or constructed in connection therewith or to serve the inhabitants thereof), constructed by or on behalf of such State, municipality, agency, instrumentality, or political subdivision, for the occupancy of veterans of World War II, or Korean veterans, their families, and others; or

"'(5) executed in connection with the first resale, within two years from the date of its acquisition from the Government, of any portion of a project or property of the character described in paragraphs (1), (2), and (3) above; or

"'(6) given to refinance an existing mortgage insured under section 608 of title VI prior to the effective date of the Housing Act of 1954 or under section 903 or section 908 of title IX: *Provided*, That the principal amount of any such refinancing mortgage shall not exceed the original principal amount or the unexpired term of such existing mortgage and shall bear interest at a rate not in excess of the maximum rate applicable to loans insured under section 203 or section 207, as the case may be, except that in any case involving the refinancing of a loan insured under section 608 or 908 in which the Commissioner determines that the insurance of a mortgage for an additional term will inure to the benefit of the applicable insurance fund, taking into consideration the outstanding insurance liability under the existing insured mortgage, such refinancing mortgage may have a term not more than twelve years in excess of the unexpired term of such existing insured mortgage: *Provided*, That a mortgage of the character described in paragraph (1), (2), (3), (4), or (5) shall have a maturity satisfactory to the Commissioner, but not to exceed the maximum term applicable to loans insured under section 203 or section 207, as the case may be, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not exceeding 90 per centum of the appraised value of the mortgaged property, as determined by the Commissioner, and bear interest (exclusive of premium charges and service charges, if any) at not to exceed the maximum rate applicable to loans insured under section 203 or section 207, as the case may be, except that where a mortgage of a character described in paragraph (1), (2), (3), or (5) covers property held by a nonprofit cooperative ownership housing corporation or nonprofit cooperative ownership housing trust, the permanent occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust, if at least 65 per centum of such members or beneficiaries are veterans, such principal obligation may be in an amount not exceeding 95 per centum of such appraised value.

"'(b) The Commissioner shall also have authority to insure under this title any mortgage assigned to him in connection with payment under a contract of mortgage insurance or executed in connection with the sale by him of any property acquired under title I, title II, title VI, title VII, title VIII, or title IX without regard to any limitation upon eligibility contained in this title II.'

"SEC. 126. Title II of said Act, as amended, is hereby amended by adding at the end thereof the following new sections:

"'Debenture interest rate

"'SEC. 224. Notwithstanding any other provisions of this Act, debentures issued under any section of this Act with respect to a mortgage accepted for insurance on or after thirty days following the effective date of the Housing Act of 1954 (except debentures issued pursuant to paragraph (3) of section 221 (g) hereof) shall bear interest at the rate in effect at the time the mortgage is insured. The Commissioner shall from time to time, with the approval of the Secretary of the Treasury, establish such interest rate in an amount not in excess of the annual rate of interest determined by the Secretary of the Treasury, at the request of the Commissioner, by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the calendar month next preceding the establishment of such rate of interest, on all outstanding marketable obligations of the United States having a maturity date of fifteen years or more from the first day of such next preceding month, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum.

"'Open-end mortgages

"'SEC. 225. Notwithstanding any other provisions of this Act, in connection with any mortgage insured pursuant to any section of this Act which covers a property upon which there is located a dwelling designed principally for residential use for not more than four families in the aggregate, the Commissioner is authorized, upon such terms and conditions as he may prescribe, to insure under said section the amount of any advance for the improvement or repair of such property made to the mortgagor pursuant to an "open-end" provision in the mortgage, and to add the amount of such advance to the original principal obligation in determining the value of the mortgage for the purpose of computing the amounts of debentures and certificate of claim to which the mortgagee may be entitled: *Provided*, That the Commissioner may require the payment of such charges, including charges in lieu of insurance premiums, as he may consider appropriate for the insurance of such "open-end" advances: *Provided further*, That only advances for such improvements or repairs as substantially protect or improve the basic livability or utility of the property involved shall be eligible for insurance under this section: *Provided further*, That no such advance shall be insured under this section if the amount thereof plus the amount of the unpaid balance of the original principal obligation of the mortgage would exceed the amount of such original principal obligation unless the mortgagor certifies that the proceeds of such advance will be used to finance the construction of additional rooms or other enclosed space as a part of the dwelling: *And provided further*, That the insurance of "open-end" advances shall not be taken into account in determining the aggregate amount of principal obligations of mortgages which may be insured under this Act.

"'FHA appraisal available to home buyers

"'SEC. 226. The Commissioner is hereby authorized and directed to require that, in connection with any property upon which there is located a dwelling designed principally for a single-family residence or a two-family residence and which is approved for mortgage insurance under section 203, 213 with respect to any property or project of a corporation or trust of the character described in paragraph numbered (2) of subsection (a) thereof, 220, 221, 222, or 903 of this Act, the seller or builder or such other person as may be designated by the Commissioner shall agree to deliver, prior to the sale of the property, to the person purchasing such dwelling for his own occupancy, a written statement setting forth the amount of the appraised value of the property as determined by the Commissioner. This section shall not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the Housing Act of 1954.

"'Builder's cost certification

"'SEC. 227. Notwithstanding any other provisions of this Act, no mortgage covering new or rehabilitated multifamily housing shall be insured under this Act unless the mortgagor has agreed (a) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (i) that the approved percentage of actual cost (as those terms are herein defined) equaled or exceeded the proceeds of the mortgage loan or (ii) the amount by which the proceeds of the mortgage loan exceeded such approved percentage of actual cost, as the case may be, and (b) to pay forthwith to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, certified to be in excess of such approved percentage of actual cost. As used in this section—

"'(a) The term "new or rehabilitated multifamily housing" means a project or property approved for mortgage insurance prior to the construction or the repair and rehabilitation involved and covered by a mortgage insured or to be insured (i) under section 207, (ii) under section 213 with respect to any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) thereof, (iii) under section 220 if the mortgage meets the requirements of paragraph (3) (B) of subsection (d) thereof, (iv) under section 221, (v) under section 803, or (vi) under sections 903 and 908;

"'(b) The term "approved percentage" means the percentage figure which, under applicable provisions of this Act, the Commissioner is authorized to apply to his estimate of value or replacement cost, as the case may be, of the property or project in determining the maximum insurable mortgage amount; and

"'(c) The term "actual cost" has the following meaning: (i) in case the mortgage is to assist the financing of new construction, the term means the actual cost to the mortgagor of such construction, including amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organizational and legal expenses, and other items of expense approved by the Commissioner, plus (1) a reasonable allowance for builder's profit if the mortgagor is also the builder as defined by the Commissioner, and (2) an amount equal to the Commissioner's estimate of the fair market value of any land (prior to the construction of the improvements built as a part of the project) in the property or project owned by the mortgagor in fee (or, in case the land in the property or project is held by the mortgagor under a leasehold or other interest less than a fee, such amount as the mortgagor paid for the acquisition of such leasehold or other interest but, in no event, in excess of the fair market value of such leasehold or other interest exclusive of the proposed improvements), but excluding the amount of any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements, or (ii) in case the mortgage is to assist the financing of repair or rehabilitation, the term means the actual cost to the mortgagor of such repair or rehabilitation, including the amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organization and legal expenses, and other items of expense approved by the Commissioner, plus (1) a reasonable allowance for builder's profit

if the mortgagor is also the builder as defined by the Commissioner, and (2) an additional amount equal to (A) in case the land and improvements are to be acquired by the mortgagor and the purchase price thereof is to be financed with part of the proceeds of the mortgage, the purchase price of such land and improvements prior to such repair or rehabilitation, or (B) in case the land and improvements are owned by the mortgagor subject to an outstanding indebtedness to be refinanced with part of the proceeds of the mortgage, the amount of such outstanding indebtedness secured by such land and improvements, but excluding (for the purposes of this clause (ii)) the amount of any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements: *Provided,* That such additional amount under either (A) or (B) of this clause (ii) shall in no event exceed the Commissioner's estimate of the fair market value of such land and improvements prior to such repair or rehabilitation.

"'SEC. 228. Notwithstanding section 505 of the Classification Act of 1949, as amended, the Commissioner may establish and place one position in grade GS–18, four positions in grade GS–17, and eight positions in grade GS–16 in the Federal Housing Administration, which positions shall be in lieu of any positions presently allocated in the Federal Housing Administration under said section 505.'

"Additional amendments relating to Federal Housing Administration

"SEC. 127. Title VI of said Act, as amended, is hereby amended by adding the following new section at the end thereof:

"'SEC. 612. Notwithstanding any other provision of this title, no mortgage or loan shall be insured under any section of this title after the effective date of the Housing Act of 1954 except pursuant to a commitment to insure issued on or before such date.'

"SEC. 128. (a) Section 803 (a) of said Act, as amended, is amended by striking out 'July 31, 1954' and substituting therefor 'June 30, 1955'.

"(b) Section 903 (a) of said Act, as amended, is hereby amended by adding the following before the last proviso thereof: '*Provided further,* That the Commissioner shall require each dwelling covered by a mortgage insured under this section, for which a commitment to insure is issued after the effective date of the Housing Act of 1954, to be held for rental for a period of not less than three years after the dwelling is made available for initial occupancy:'.

"SEC. 129. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended as follows: (1) by striking out the material within the parentheses in clause (a) and substituting therefor 'except (i) pursuant to a commitment to insure issued on or before such date or (ii) after July 31, 1954, and until July 1, 1955, during such period, or for such project or projects, as the President may designate hereunder', and (2) by adding after the last comma in clause (b) 'except after July 31, 1954, and until July 1, 1955, during such period, or for such project or projects, as the President may designate hereunder: *Provided,* That, to the extent necessary to assure the adequate completion of any facilities for which prior agreements have been made under title III, the Housing and Home Finance Administrator may, at any time after July 31, 1954, enter into amendatory agreements under such title involving the expenditure of additional Federal funds within the balance available therefor on or before such date."

"SEC. 130. The paragraph following paragraph numbered (3) of section 803 (b) of the National Housing Act, as amended, and paragraph numbered (3) of section 908 (b) of said Act, as amended, are hereby amended to read as follows: 'The mortgagor shall enter into the agreement required by section 227 of this Act, as amended.'

"SEC. 131. The eighth paragraph of section 709 of title 18 of the United States Code is hereby amended to read as follows:

"'Whoever uses as a firm or business name the words "Housing and Home Finance Agency", "Federal Housing Administration", "Federal National Mortgage Association", or "Public Housing Administration" or the letters "FHA" or any combination or variation of those words or the letters "FHA" alone or with other words or letters reasonably calculated to convey the false impression that such name or business has some connection with, or authorization from, the Housing and Home Finance Agency, the Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof, which does not in fact exist, or falsely claims that any repair, improvement, or alteration of any existing structure is required or recommended by the Housing and Home Finance Agency, the Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof, for the purpose of inducing any person to enter into a contract for the making of such repairs, alterations, or improvements, or falsely advertises or falsely represents by any device whatsoever that any housing unit, project, business, or product has been in any way endorsed, authorized, inspected, appraised, or approved by the Housing and Home Finance Agency, the Federal Housing Administration, the Federal National Mortgage Association, the Public Housing Administration, the Government of the United States or any agency thereof; or'.

"SEC. 132. Title V of the National Housing Act, as amended, is hereby amended by adding the following new sections after section 511:

"'SEC. 512. Notwithstanding any other provision of law, the Commissioner is authorized to refuse the benefits of participation (either directly as an insured lender or as a borrower, or indirectly as a builder, contractor, or dealer, or salesman or sales agent for a builder, contractor or dealer) under title I, II, VI, VII, VIII, or IX of this Act to any person or firm (including but not limited to any individual, partnership, association, trust, or corporation) if the Commissioner has determined that such person or firm (1) has knowingly or willfully violated any provision of this Act or of title III of the Servicemen's Readjustment Act of 1944, as amended, or of any regulation issued by the Commissioner under this Act or by the Administrator of Veterans' Affairs under said title III, or (2) has, in connection with any construction, alteration, repair or improvement work financed with assistance under this Act or under said title III, or in connection with contracts or financing relating to such work, violated any Federal or State penal statute, or (3) has failed materially to properly carry out contractual obligations with respect to the completion of construction, alteration, repair, or improvement work financed with assistance under this Act or under title III of the Servicemen's Readjustment Act of 1944, as amended. Before any such determination is made any person or firm with respect to whom such a determination is proposed shall be notified in writing by the Commissioner and shall be entitled, upon making a written request to the Commissioner, to a written notice specifying charges in reasonable detail and an opportunity to be heard and to be represented by counsel. Determinations made by the Commissioner under this section shall be based on the preponderance of the evidence.

"'SEC. 513. (a) The Congress hereby declares that it has been its intent since the enactment of the National Housing Act that housing built with the aid of mortgages insured under that Act is to be used principally for residential use; and that this intent excludes the use of such housing for transient or hotel purposes while such insurance on the mortgage remains outstanding.

"'(b) Notwithstanding any other provisions of this Act, no new, existing, or rehabilitated multifamily housing with respect to which a mortgage is insured under this Act shall be operated for transient or hotel purposes unless (1) on or before May 28, 1954, the Commissioner has agreed in writing to the rental of all or a portion of the accommodations in the project for transient or hotel purposes (in which case no accommodations in excess of the number so agreed to by the Commissioner shall be rented on such basis), or (2) the project covered by the insured mortgage is located in an area which the Commissioner determines to be a resort area, and the Commissioner finds that prior to May 28, 1954, a portion of the accommodations in the project had been made available for rent for transient or hotel purposes (in which case no accommodations in excess of the number which had been made available for such use shall be rented on such basis).

"'(c) Notwithstanding any other provisions of this Act, no mortgage with respect to multifamily housing shall be insured under this Act (except pursuant to a commitment to insure issued prior to the effective date of the Housing Act of 1954), and (except as to housing coming within the provisions of clause (1) or clause (2) of the preceding subsection) no mortgage with respect to multifamily housing shall be insured for an additional term, unless (1) the mortgagor certifies under oath that while such insurance remains outstanding he will not rent, or permit the rental of, such housing or any part thereof for transient or hotel purposes, and (2) the Commissioner has entered into such contract with, or purchased such stock of, the mortgagor as the Commissioner deems necessary to enable him to prevent or terminate any use of such property or project for transient or hotel purposes while the mortgage insurance remains outstanding.

"'(d) The Commissioner is hereby authorized and directed to enforce the provisions of this section by all appropriate means at his disposal, as to all existing multifamily housing with respect to which a mortgage was insured under this Act prior to the effective date of the Housing Act of 1954 as well as to all multifamily housing with respect to which a mortgage is hereafter insured under this Act: *Provided,* That no criminal penalty shall, by reason of enactment of this section, be applicable to the rental or operation of any such existing multifamily housing in violation of any provision of subsection (b) of this section at any time prior to the effective date of the Housing Act of 1954.

"'(e) As used in this section, (1) the term "rental for transient or hotel purposes" shall have such meaning as prescribed by the Commissioner but rental for any period less than thirty days shall in any event constitute rental for such purposes, and (2) the term "multifamily housing" shall mean (i) a property held by a mortgagor upon which there are located five or more single family dwellings, or upon which there is located a two-, three-, or four-family dwelling, or (ii) a property or project covered by mortgage insured or to be insured under section 207, under section 213 with respect to any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) thereof, under section 220 if the mortgage is within the provisions of paragraph (3) (B) of subsection (d) thereof, under section 221 if the mortgage is within the provisions of paragraph (3) of subsection (d) thereof, under section 608, under section 803, or under section 908, or (iii) a project with respect to

which an insurance contract pursuant to title VII is outstanding.

"'(f) Promptly after receipt of written notice that any portion of any building is being rented or operated in violation of any provision of this section or of any rule or regulation lawfully issued thereunder, the Commissioner shall investigate the existence of the facts alleged in the written notice and shall order such violation, if found to exist, to cease forthwith.

"'(g) If such violation does not cease in accordance with such order, the Commissioner shall forward the complaint to the Attorney General of the United States for prosecution of such civil or criminal action, if any, which the Attorney General may find to be involved in such violation.

"'(h) Whenever he finds a violation of any provision of this section has occurred or is about to occur, the Attorney General shall petition the district court of the United States or the district court of any Territory or other place subject to United States jurisdiction within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation of this section shall be found, for an order enjoining such acts or practices, and upon a showing by the Attorney General that such acts or practices constituting such violation have been engaged in or are about to be engaged in, a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted without bond.

"'(i) Any person owning or operating a hotel within a radius of fifty miles of a place where a violation of any provision of this section has occurred or is about to occur, or any group or association of hotel owners or operators within said fifty-mile radius, at his or their sole charge or cost, may petition any district court of the United States or the district court of any Territory or other place subject to United States jurisdiction within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation of this section shall be found, for an order enjoining such acts or practices, and, upon a showing that such acts or practices constituting such violation have been engaged in or are about to be engaged in, a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted.

"'(j) The several district courts of the United States and the several district courts of the Territories of the United States or other place subject to United States jurisdiction, within whose jurisdictional limits the person doing or committing the acts or practices constituting the alleged violation shall be found, shall, wheresoever such acts or practices may have been done or committed, have full power and jurisdiction to hear, try, and determine such matter under subsections (h) and (i) of this section.'

"TITLE II—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"SEC. 201. Title III of the National Housing Act, as amended, is hereby amended to read as follows:

"'TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"'*Purposes*

"'SEC. 301. The Congress hereby declares that the purposes of this title are to establish in the Federal Government a secondary market facility for home mortgages, to provide that the operations of such facility shall be financed by private capital to the maximum extent feasible, and to authorize such facility to—

"'(a) provide supplementary assistance to the secondary market for home mortgages by providing a degree of liquidity for mortgage investments, thereby improving the distribution of investment capital available for home mortgage financing;

"'(b) provide special assistance (when, and to the extent that, the President has determined that it is in the public interest) for the financing of (1) selected types of home mortgages (pending the establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home building activities which threatens materially the stability of a high level national economy; and

"'(c) manage and liquidate the existing mortgage portfolio of the Federal National Mortgage Association in an orderly manner, with a minimum of adverse effect upon the home mortgage market and minimum loss to the Federal Government.

"'*Creation of Association*

"'SEC. 302. (a) There is hereby created a body corporate to be known as the "Federal National Mortgage Association" (hereinafter referred to as the "Association"), which shall be a constituent agency of the Housing and Home Finance Agency. The Association shall have succession until dissolved by Act of Congress. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. Agencies or offices may be established by the Association in such other place or places as it may deem necessary or appropriate in the conduct of its business.

"'(b) For the purposes set forth in section 301 and subject to the limitations and restrictions of this title, the Association is authorized to make commitments to purchase and to purchase, service, or sell, any residential or home mortgages (or participations therein) which are insured under this Act, as amended, or which are insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended: *Provided*, That (1) no mortgage may be purchased at a price exceeding 100 per centum of the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items; and (2) the Association may not purchase any mortgage if (i) it is offered by, or covers property held by, a Federal, State, territorial, or municipal instrumentality or (ii) the original principal obligation thereof exceeds or exceeded $15,000 for each family residence or dwelling unit covered by the mortgage.

"'*Capitalization*

"'SEC. 303. (a) The Association shall have nonvoting common stock; and initially shall also have nonvoting preferred stock to which the Secretary of the Treasury shall subscribe as provided in subsections (d) and (e) of this section. All stock of the Association shall have a par value of $100 per share, and shall not be transferable except on the books of the Association. At the option of the Association all such stock shall be retirable at par value at any time, except that retirements of common stock shall not be made if, as a consequence, the amount thereof remaining outstanding would be less than $100,000,000. With respect to the preferred stock held by him, the Secretary of the Treasury shall be entitled to cumulative dividends for each fiscal year or portion thereof, from the date or dates the capital represented by such preferred stock is initially utilized until such preferred stock is retired, at rates determined by him at the beginning of each such fiscal year, taking into consideration the current average interest rate on outstanding marketable obligations of the United States as of the last day of the preceding fiscal year. The Secretary of the Treasury shall permit the retirement of the preferred stock held by him in the manner provided in this section. Funds of the capital surplus and the general surplus accounts of the Association shall be available to retire the preferred stock held by the Secretary of the Treasury as rapidly as the Association shall deem feasible. Concurrently with the retirement of the last of such outstanding shares of preferred stock, the Association shall pay to the Secretary of the Treasury for covering into miscellaneous receipts an amount equal to that part of the general surplus and reserves of the Association (other than reserves established to provide for any depreciation in value of its assets, including mortgages) which shall be deemed to have been earned through the use of the capital represented by the shares held by him from time to time. The amount of such payment shall be determined by applying to such surplus and reserves that percentage which is equivalent to the proportion borne by the employed capital represented by the Secretary's stock to the total employed capital of the Association, computed monthly for the period from the cutoff date determined pursuant to section 303 (d) of this title to the aforesaid retirement of the last of the outstanding shares of preferred stock of the Association.

"'(b) The Association shall accumulate funds for its capital surplus account from private sources by requiring each mortgage seller to make payments of nonrefundable capital contributions equal to not less than 3 per centum of the unpaid principal amount of mortgages therein involved in purchases or contracts for purchases between such seller and the Association, or such greater percentage as may from time to time be determined by the Association. In addition, the Association may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations and that such operations should be fully self-supporting. All earnings from the operations of the Association shall annually be transferred to its general surplus account. At any time, funds of the general surplus account may, in the discretion of the board of directors, be transferred to reserves. All dividends shall be charged against the general surplus account. This subsection (b) shall be subject to the exceptions set forth in section 307 of this title.

"'(c) The Association shall issue, from time to time, to each mortgage seller its common stock (only in denominations of $100 or multiples thereof) evidencing any capital contributions made by such seller pursuant to subsection (b) of this section. Such dividends as may be declared by the board of directors in its discretion shall be paid by the Association to the holders of its common stock, but in any one fiscal year the general surplus account of the Association shall not be reduced through the payment of dividends applicable to such common stock which exceed in the aggregate 5 per centum of the par value of the outstanding common stock of the Association: *Provided*, That pending the retirement of all the outstanding preferred stock of the Association such percentage with respect to any one fiscal year shall not exceed the percentage rate of the cumulative dividend applicable to the preferred stock of the Association for that fiscal year.

"'(d) Within ninety days following the effective date of the Housing Act of 1954, as of the day following a cutoff date to be determined by the Association, the Association is authorized and directed to issue and deliver to the Secretary of the Treasury, and the Secretary of the Treasury is authorized and directed to accept, preferred stock of the Association having an aggregate par value

equal to the sum of (1) the amount of $21,000,000 (being the amount of the original subscription for capital stock of $20,000,000 and paid-in surplus of $1,000,000 of the Association) and (2) an amount equal to the Association's surplus, surplus reserves, and undistributed earnings, computed as of the close of the cutoff date.

"'(e) The preferred stock of the Association delivered to the Secretary of the Treasury pursuant to subsection (d) of this section shall be in exchange for (1) the note or notes evidencing the aforesaid original $21,000,000 (upon which the accrued interest shall have been paid through the cutoff date referred to in subsection (d) of this section), and (2) the release to the Association of any and all rights or claims which the United States might otherwise have or claim in and to the Association's capital, surplus, surplus reserves, and undistributed earnings, computed as of the close of the aforesaid cutoff date.

"'(f) Notwithstanding any other provision of law, any institution, including a national bank or State member bank of the Federal Reserve System or any member of the Federal Deposit Insurance Corporation, trust company, or other banking organization, organized under any law of the United States, including the laws relating to the District of Columbia, shall be authorized to make payments to the Association of the nonrefundable capital contributions referred to in subsection (b) of this section, to receive stock of the Association evidencing such capital contributions, and to hold or dispose of such stock, subject to the provisions of this title.

"'(g) As promptly as practicable after all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, the Housing and Home Finance Administrator shall transmit to the President for submission to the Congress recommendations for such legislation as may be necessary or desirable to make appropriate provisions to transfer to the owners of the outstanding common stock of the Association the assets and liabilities of the Association in connection with, and the control and management of, the secondary market operations of the Association under section 304 of this title in order that such operations may thereafter be carried out by a privately owned and privately financed corporation.

"'*Secondary market operations*

"'SEC. 304. (a) To carry out the purposes set forth in paragraph (a) of section 301, the operations of the Association under this section shall be confined, so far as practicable, to mortgages which are deemed by the Association to be of such quality, type, and class as to meet, generally, the purchase standards imposed by private institutional mortgage investors and the Association shall not purchase any mortgage insured or guaranteed prior to the effective date of the Housing Act of 1954. In the interest of assuring sound operation, the prices to be paid by the Association for mortgages purchased in its secondary market operations under this section, should be established, from time to time, at the market price for the particular class of mortgages involved, as determined by the Association. The volume of the Association's purchases and sales, and the establishment of the purchase prices, sale prices, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time, and such determinations should be consistent with the objectives that such purchases and sales should be effected only at such prices and on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting.

"'(b) For the purposes of this section, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but the aggregate amount of obligations of the Association under this subsection outstanding at any one time shall not exceed ten times the sum of its capital, capital surplus, general surplus, reserves, and undistributed earnings, and in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership pursuant to this section, free from any liens or encumbrances, of cash, mortgages, and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

"'(c) The Secretary of the Treasury is authorized in his discretion to purchase any obligations issued pursuant to subsection (b) of this section, as now or hereafter in force, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. The Secretary of the Treasury shall not at any time purchase any obligations under this subsection if (1) all of the preferred stock of the Association held by the Secretary of the Treasury has been retired, or (2) such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than $500,000,000 plus an amount equal to the total of such reductions in the maximum dollar amount prescribed by section 306 (c) as have theretofore been effected pursuant to that section: *Provided,* That such aggregate principal amount under this subsection (c) shall in no event exceed $1,000,000,000. Each purchase of obligations by the Secretary of the Treasury under this subsection shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations under this subsection shall be treated as public debt transactions of the United States.

"'(d) The Association may not purchase participations or make any advance contracts or commitments to purchase mortgages for its operations under this section, except that the Association may, in the discretion of its board of directors, issue a purchase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe.

"'*Special assistance functions*

"'SEC. 305. (a) To carry out the purposes set forth in paragraph (b) of section 301, the President, after taking into account (1) the conditions in the building industry and the national economy and (2) conditions affecting the home mortgage investment market, generally, or affecting various types or classifications of home mortgages, or both, and after determining that such action is in the public interest, may under this section authorize the Association, for such period of time and to such extent as he shall prescribe, to exercise its powers to make commitments to purchase and to purchase such types, classes, or categories of home mortgages (including participations therein) as he shall determine.

"'(b) The operations of the Association under this section shall be confined, so far as practicable, to mortgages (including participations) which are deemed by the Association to be of such quality as to meet, substantially and generally, the purchase standards imposed by private institutional mortgage investors but which, at the time of submission of the mortgages to the Association for purchase, are not necessarily readily acceptable to such investors. Subject to the provisions of this section, the prices to be paid by the Association for mortgages purchased in its operations under this section shall be established from time to time by the Association. The Association shall impose charges or fees for its services under this section with the objective that all costs and expenses of its operations under this section should be within its income derived from such operations and that such operations should be fully self-supporting.

"'(c) The total amount of purchases and commitments authorized by the President pursuant to subsection (a) of this section shall not exceed $200,000,000 outstanding at any one time: *Provided,* That, notwithstanding such limitation, the President pursuant to subsection (a) of this section may also authorize the Association to exercise its powers to enter into commitments to purchase immediate participations and to make related deferred participation agreements as hereinafter in this subsection provided, but only to the extent that the total amount of such immediate participation commitments and purchases pursuant thereto (but not including the amount of any related deferred participation agreements or purchases pursuant thereto) shall not in any event exceed $100,000,000 outstanding at any one time, and any such deferred participation agreements shall be made by the Association only on the basis of a commitment by it to purchase an immediate participation of a 20 per centum undivided interest in each mortgage and a related deferred participation agreement by the Association to purchase the remaining outstanding interest in such mortgage conditional upon the occurrence of such a default as gives rise to the right to foreclose.

"'(d) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section, such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, tak-

ing into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized to purchase any obligations of the Association to be issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Association's obligations hereunder..

"'Management and liquidating functions

"'SEC. 306. (a) To carry out the purposes set forth in paragraph (c) of section 301, the Association is authorized and directed, as of the close of the cutoff date determined by the Association pursuant to section 303 (d) of this title, to establish separate accountability for all of its assets and liabilities (exclusive of capital, surplus, surplus reserves, and undistributed earnings to be evidenced by preferred stock as provided in section 303 (d) hereof, but inclusive of all rights and obligations under any outstanding contracts), and to maintain such separate accountability for the management and orderly liquidation of such assets and liabilities as provided in this section.

"'(b) For the purposes of this section and to assure that, to the maximum extent, and as rapidly as possible, private financing will be substituted for Treasury borrowings otherwise required to carry mortgages held under the aforesaid separate accountability, the Association is authorized to issue, upon the approval of the Secretary of the Treasury, and have outstanding at any one time obligations having such maturities and bearing such rate or rates of interest as may be determined by the Association with the approval of the Secretary of the Treasury, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations; but in no event shall any such obligations be issued if, at the time of such proposed issuance, and as a consequence thereof, the resulting aggregate amount of its outstanding obligations under this subsection would exceed the amount of the Association's ownership under the aforesaid separate accountability, free from any liens or encumbrances, of cash, mortgages, and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States. The proceeds of any private financing effected under this subsection shall be paid to the Secretary of the Treasury in reduction of the indebtedness of the Association to the Secretary of the Treasury under the aforesaid separate accountability. The Association shall insert appropriate language in all of its obligations issued under this subsection clearly indicating that such obligations, together with the interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the Association. The Association is authorized to purchase in the open market any of its obligations outstanding under this subsection at any time and at any price.

"'(c) No mortgage shall be purchased by the Association in its operations under this section except pursuant to and in accordance with the terms of a contract or commitment to purchase the same made prior to the cutoff date provided for in section 303 (d), which contract or commitment became a part of the aforesaid separate accountability, and the total amount of mortgages and commitments held by the Association under this section shall not, in any event, exceed $3,350,000,000: *Provided,* That such maximum amount shall be progressively reduced by the amount of cash realizations on account of principal of mortgages held under the aforesaid separate accountability and by cancellation of any commitments to purchase mortgages thereunder, as reflected by the books of the Association, with the objective that the entire aforesaid maximum amount shall be eliminated with the orderly liquidation of all mortgages held under the aforesaid separate accountability: *And provided further,* That nothing in this subsection shall preclude the Association from granting such usual and customary increases in the amounts of outstanding commitments (resulting from increased costs or otherwise) as have theretofore been covered by like increases in commitments granted by the agencies of the Federal Government insuring or guaranteeing the mortgages. There shall be excluded from the total amounts set forth in this subsection and subsection (e) of this section the amounts of any mortgages which, subsequent to May 31, 1954, are transferred by law to the Association and held under the aforesaid separate accountability.

"'(d) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section, such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the Association before maturity in such manner as may be stipulated in such obligations. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized to purchase any obligations of the Association to be issued under this section, and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the Association's obligations hereunder.

"'(e) Of the $3,650,000,000 total amount of investments, loans, purchases, and commitments heretofore authorized to be outstanding at any one time under this title III prior to the enactment of the Housing Act of 1954, a total of not to exceed $300,000,000 shall be applicable as provided in section 305 of this title, and a total of not to exceed $3,350,000,000 shall be applicable as provided in subsection (c) of this section.

"'Separate accountability

"'SEC. 307. (a) The Association shall establish and at all times maintain separate accountability for (1) its secondary market operations authorized by section 304 hereof, (2) its special assistance functions authorized by section 305 hereof, and (3) its management and liquidating functions authorized by section 306 hereof.

"'(b) With respect to the functions or operations of the Association under sections 305 and 306, respectively, of this title, (1) there shall be no recourse to the capitalization of the Association provided for by section 303 of this title, and (2) mortgage sellers shall not be required to make payment to the Association of the capital contributions provided for by section 303 (b) of this title.

"'(c) All of the benefits and burdens incident to the administration of the functions and operations of the Association under sections 305 and 306, respectively, of this title, after allowance for related obligations of the Association, its prorated expenses, and the like, including amounts required for the establishment of such reserves as the board of directors of the Association shall deem appropriate, shall inure solely to the Secretary of the Treasury, and such related earnings or other amounts as become available shall be paid annually by the Association to the Secretary of the Treasury for covering into miscellaneous receipts.

"'Board of Directors

"'SEC. 308 (a). The Association shall have a Board of Directors consisting of five persons, one of whom shall be the Housing and Home Finance Administrator as Chairman of the Board, and four of whom shall be appointed by said Administrator from among the officers or employees of the Association, of the immediate office of said Administrator, or (with the consent of the head of such department or agency) of any other department or agency of the Federal Government. The board of directors shall meet at the call of its chairman, who shall require it to meet not less often than once each month. Within the limitations of law, the board shall determine the general policies which shall govern the operations of the Association. The chairman of the board shall select and effect the appointment of qualified persons to fill the offices of president and vice president, and such other offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the board of directors, and such persons shall be the executive officers of the Association and shall discharge all such executive functions, powers, and duties. The basic rate of compensation of the position of president of the Association shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The members of the board, as such, shall not receive compensation for their services.

"'General powers

"'SEC. 309. (a) The Association shall have power to adopt, alter, and use a corporate seal, which shall be judicially noticed; by its board of directors, to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law; to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or the Commonwealth of Puerto Rico, or with any political subdivision thereof, or with any person, firm, association, or corporation; to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; in its corporate name, to sue and to be sued, and to complain and to defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or other similar process, mesne or final, shall be issued against the property of the Association or against the Association with respect to its property; to conduct its business in any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States; to lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use, and operate such property, and to sell, for cash or credit, lease, or otherwise dispose of the same, at such time and in such manner as and to the extent that the Association may deem necessary or appropriate; to prescribe, repeal, and amend or modify, rules, regulations, or requirements governing the manner in which its general business may be conducted; to accept gifts or donations of services, or of property, real, personal, or mixed, tangible, or intangible, in aid of any of the purposes of the Association; and to do all things as are

necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"'(b) Except as may be otherwise provided in this title, in the Government Corporation Control Act, or in other laws specifically applicable to Government corporations, the Association shall determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for.

"'(c) The Association, including its franchise, capital, reserves, surplus, mortgages, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that (1) any real property of the Association shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, and (2) the Association shall, with respect to its secondary market operations under section 304 after the cutoff date referred to in section 303 (d) of this title, pay annually to the Secretary of the Treasury, for covering into miscellaneous receipts, an amount equivalent to the amount of Federal income taxes for which it would be subject if it were not exempt from such taxes with respect to such secondary market operations.

"'(d) The Chairman of the Board shall have power to select and appoint or employ such officers, attorneys, employees, and agents, to vest them with such powers and duties, and to fix and to cause the Association to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. Bonds may be required for the faithful performance of their duties, and the Association may pay the premiums therefor. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Association may avail itself on a reimbursable basis of the use of information, services, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of this title.

"'(e) No individual, association, partnership, or corporation, except the body corporate created by section 302 of this title, shall hereafter use the words "Federal National Mortgage Association" or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 or imprisonment not exceeding thirty days or both, for each day during which such violation is committed or repeated.

"'(f) In order that the Association may be supplied with such forms of obligations or certificates as it may need for issuance under this title, the Secretary of the Treasury is authorized, upon request of the Association, to prepare such forms as shall be suitable and approved by the Association, to be held in the Treasury subject to delivery, upon order of the Association. The engraved plates, dies, bed pieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Association shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such forms.

"'(g) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Association in the general performance of its powers, and the Association shall reimburse such Federal Reserve banks for such services in such manner as may be agreed upon.

"'*Investment of funds*

"'SEC. 310. Moneys of the Association not invested in mortgages or in operating facilities shall be kept in cash on hand or on deposit, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States.

"'*Obligations of Association legal investments*

"'SEC. 311. All obligations issued by the Association shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

"'*Short title*

"'SEC. 312. This title III may be referred to as the "Federal National Mortgage Association Charter Act".'

"SEC. 202. The Federal National Mortgage Association, established pursuant to the provisions of title III of the National Housing Act as in effect prior to July 1, 1948, and named in section 101 of the Government Corporation Control Act, as amended, shall be the body corporate referred to in section 302 of title III of the National Housing Act, as amended by the Housing Act of 1954.

"SEC. 203. The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is hereby amended by striking 'or obligations of national mortgage associations' and inserting 'or obligations of the Federal National Mortgage Association.'

"SEC. 204. (a) Subsection (h) of section 11 of the Federal Home Loan Bank Act, as amended, is hereby amended by inserting after 'in obligations of the United States' a comma and the following: 'in obligations of the Federal National Mortgage Association,'. The last sentence of section 16 of said Act is amended by inserting after 'in direct obligations of the United States' a comma and the following: 'in obligations of the Federal National Mortgage Association,'.

"(b) The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by inserting in the second proviso before the colon and after 'Federal Home Loan Bank' the following: 'or in the obligations of the Federal National Mortgage Association'.

"SEC. 205. Subsection (b) of section 2 of the Alaska Housing Act, as amended, is hereby repealed.

"SEC. 206. Public Law 243, Eighty-second Congress, approved October 30, 1951, as amended, is hereby repealed. Subsection (a) of section 608 of Public Law 139, Eighty-second Congress, approved September 1, 1951, is hereby repealed.

"SEC. 207. The functions of the Housing and Home Finance Administrator (including the function of making payments to the Secretary of the Treasury) under section 2 of Reorganization Plan Numbered 22 of 1950, together with the notes and capital stock of the Federal National Mortgage Association held by said Administrator thereunder, are hereby transferred to the Federal National Mortgage Association.

"TITLE III—SLUM CLEARANCE AND URBAN RENEWAL

"SEC. 301. The heading of title I of the Housing Act of 1949, as amended, is hereby amended to read 'TITLE I—SLUM CLEARANCE AND URBAN RENEWAL'.

"SEC. 302. Title I of said Act, as amended, is hereby amended by inserting the following new section immediately after the heading of title I:

"'*Urban renewal fund*

"'SEC. 100. The authorizations, funds, and appropriations available pursuant to sections 103 and 104 hereof shall constitute a fund, to be known as the "Urban Renewal Fund", and shall be available for advances, loans, and capital grants to local public agencies for urban renewal projects in accordance with the provisions of this title, and all contracts, obligations, assets, and liabilities existing under or pursuant to said sections prior to the enactment of the Housing Act of 1954 are hereby transferred to said Fund.'

"SEC. 303. Section 101 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 101. (a) In entering into any contract for advances for surveys, plans, and other preliminary work for projects under this title, the Administrator shall give consideration to the extent to which appropriate local public bodies have undertaken positive programs (through the adoption, modernization, administration, and enforcement of housing, zoning, building and other local laws, codes and regulations relating to land use and adequate standards of health, sanitation, and safety for buildings, including the use and occupancy of dwellings) for (1) preventing the spread or recurrence in the community of slums and blighted areas, and (2) encouraging housing cost reductions through the use of appropriate new materials, techniques, and methods in land and residential planning, design, and construction, the increase of efficiency in residential construction, and the elimination of restrictive practices which unnecessarily increase housing costs.

"'(b) In the administration of this title, the Administrator shall encourage the operations of such local public agencies as are established on a State, or regional (within a State), or unified metropolitan basis or as are established on such other basis as permits such agencies to contribute effectively toward the solution of community development or redevelopment problems on a State, or regional (within a State), or unified metropolitan basis.

"'(c) No contract shall be entered into for any loan or capital grant under this title, or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to the effective date of the Housing Act of 1954, and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 or 221 of the National Housing Act, as amended, unless (1) there is presented to the Administrator by the locality a workable program (which shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program, and (2) on the basis of his review of such program, the Administrator determines that such program meets the requirements of this subsection and certifies to the constituent agencies affected that the Federal assistance may be made available in such community: *Provided*, That this sentence shall not apply to the insurance of, or commitment to insure, a mortgage under section 220 of the National Housing Act, as amended, if the mortgaged property is in an area referred to in clause (A) (i) of paragraph (1) of section 220 (d), or under section 221 of the National Housing Act, as amended, if the mortgaged property

is in a community referred to in clause (2) of section 221 (a) of said Act: *And provided further,* That, notwithstanding any other provisions of law which would authorize such delegation or transfer, there shall not be delegated or transferred to any other official (except an officer or employee of the Housing and Home Finance Agency serving as Acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office) the final authority vested in the Administrator (i) to determine whether any such workable program meets the requirements of this subsection, (ii) to make the certification that Federal assistance of the types enumerated in this subsection may be made available in such community, (iii) to make the certifications as to the maximum number of dwelling units needed for the relocation of families to be displaced as a result of governmental action in a community and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance under section 221 of the National Housing Act, as amended, or (iv) to determine that the relocation requirements of section 105 (c) of this title have been met.

"'(d) The Administrator is authorized to establish facilities (1) for furnishing to communities, at their request, an urban renewal service to assist them in the preparation of a workable program as referred to in the preceding subsection and to provide them with technical and professional assistance for planning and developing local urban renewal programs, and (2) for the assembly, analysis and reporting of information pertaining to such programs.'

"SEC. 304. Section 102 of said Act, as amended, is hereby amended—

"(1) by amending the first sentence in subsection (a) to read as follows: 'To assist local communities in the elimination of slums and blighted or deteriorated or deteriorating areas, in preventing the spread of slums, blight or deterioration, and in providing maximum opportunity for the redevelopment, rehabilitation, and conservation of such areas by private enterprise, the Administrator may make temporary and definitive loans to local public agencies in accordance with the provisions of this title for the undertaking of urban renewal projects.';

"(2) by inserting in the second sentence of subsection (a) before the word 'expenditures' the word 'estimated' and by inserting after the word 'bonds' the words 'or other obligations';

"(3) by striking out 'new uses of land in the project area' at the end of the first sentence of subsection (b) and inserting 'new uses of such land in the project area';

"(4) by striking out the words 'bear interest as such rate' in the second sentence of subsection (b) and inserting 'bear interest at such rate'; and

"(5) by amending subsection (d) to read as follows:

"'(d) The Administrator may make advances of funds to local public agencies for surveys and plans for urban renewal projects which may be assisted under this title, including, but not limited to, (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (ii) plans for the enforcement of State and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (iii) appraisals, title searches, and other preliminary work necessary to prepare for the acquisition of land in connection with the undertaking of such projects. The contract for any such advance of funds shall be made upon the condition that such advance of funds shall be repaid, with interest at not less than the applicable going Federal rate, out of any moneys which become available to the local public agency for the undertaking of the project involved. No contract for any such advances of funds for surveys and plans for urban renewal projects which may be assisted under this title shall be made unless the governing body of the locality involved has by resolution or ordinance approved the undertaking of such surveys and plans and the submission by the local public agency of an application for such advance of funds.'

"SEC. 305. Subsection (a) of section 103 of said Act, as amended, is hereby amended to read as follows:

"'(a) The Administrator may make capital grants to local public agencies in accordance with the provisions of this title for urban renewal projects: *Provided,* That the Administrator shall not make any contract for capital grant with respect to a project which consists of open land. The aggregate of such capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed two-thirds of the aggregate of the net project costs of such projects, and the capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.'

"SEC. 306. Section 104 of said Act, as amended, is hereby amended by striking 'section 110 (f) of land' and inserting 'section 110 (f) of the property'.

"SEC. 307. Section 105 of said Act as amended, is hereby amended—

"(1) by striking 'Contracts for financial aid' and inserting 'Contracts for loans or capital grants';

"(2) by amending subsections (a) and (b) to read as follows:

"'(a) The urban renewal plan (including any redevelopment plan constituting a part thereof) for the urban renewal area be approved by the governing body of the locality in which the project is situated, and that such approval include findings by the governing body that (i) the financial aid to be provided in the contract is necessary to enable the project to be undertaken in accordance with the urban renewal plan; (ii) the urban renewal plan will afford maximum opportunity, consistent with the sound needs of the locality as a whole, for the rehabilitation or redevelopment of the urban renewal area by private enterprise; and (iii) the urban renewal plan conforms to a general plan for the development of the locality as a whole;

"'(b) When real property acquired or held by the local public agency in connection with the project is sold or leased, the purchasers or lessees and their assignees shall be obligated (i) to devote such property to the uses specified in the urban renewal plan for the project area; (ii) to begin within a reasonable time any improvements on such property required by the urban renewal plan; and (iii) to comply with such other conditions as the Administrator finds, prior to the execution of the contract for loan or capital grant pursuant to this title, are necessary to carry out the purposes of this title: *Provided,* That clause (ii) of this subsection shall not apply to mortgagees and others who acquire an interest in such property as the result of the enforcement of any lien or claim thereon; ';

"(3) by striking the word 'project' wherever it appears in subsection (c) and inserting the term 'urban renewal'; and

"(4) by striking out the proviso at the end of subsection (c), and substituting a period for the colon preceding said proviso.

"SEC. 308. Section 106 of said Act, as amended, is hereby amended by inserting the following proviso before the period at the end of subsection (b): ': *Provided,* That necessary expenses of inspections and audits, and of providing representatives at the site, of projects being planned or undertaken by local public agencies pursuant to this title shall be compensated by such agencies by the payment of fixed fees which in the aggregate will cover the costs of rendering such services, and such expenses shall be considered nonadministrative; and for the purpose of providing such inspections and audits and of providing representatives at the sites, the Administrator may utilize any agency and such agency may accept reimbursement or payment for such services from such local public agencies or the Administrator, and credit such amounts to the appropriations or funds against which such charges have been made'.

"SEC. 309. Section 107 of said Act, as amended, is hereby amended by striking out the words 'redevelopment plan' and inserting 'urban renewal plan'.

"SEC. 310. Section 109 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 109. In order to protect labor standards—

"'(a) any contract for loan or capital grant pursuant to this title shall contain a provision requiring that not less than the salaries prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Administrator, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development of the project involved and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics, except such laborers or mechanics who are employees of municipalities or other local public bodies, employed in the development of the project involved for work financed in whole or in part with funds made available pursuant to this title; and the Administrator shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract; and

"'(b) the provisions of title 18, United States Code, section 874, and of title 40, United States Code, section 276c, shall apply to work financed in whole or in part with funds made available for the development of a project pursuant to this title.'.

"SEC. 311. Section 110 of said Act, as amended, is hereby amended to read as follows:

"'SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"'(a) "Urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area in the locality involved which the Administrator approves as appropriate for an urban renewal project.

"'(b) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan (1) shall conform to the general plan of the locality as a whole and to the workable program referred to in section 101 hereof; (2) shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the plan's relationship to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; and (3) shall include, for any part of the urban renewal area proposed to be acquired and redeveloped in accordance with clause (1) of the second sentence of subsection (c) of this section, a redevelopment plan approved by the governing body of the locality.

"'(c) "Urban renewal project" or "project" may include undertakings and activities of a local public agency in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof, in accordance with such urban renewal plan. For the purposes of this subsection, "slum clearance and redevelopment" may include (1) acquisition of (i) a slum area or a deteriorated or deteriorating area, or (ii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community, or (iii) open land necessary for sound community growth which is to be developed for predominantly residential uses: *Provided,* That the requirement in paragraph (a) of this section that the area be a slum area or a blighted, deteriorated, or deteriorating area shall not be applicable in the case of an open land project: *And provided further,* That financial assistance shall not be extended under this title for any project involving slum clearance and redevelopment of an area which is not clearly predominantly residential in character unless such area is to be redeveloped for predominantly residential uses, except that, where such an area which is not predominantly residential in character contains a substantial number of slum, blighted, deteriorated, or deteriorating dwellings or other living accommodations, the elimination of which would tend to promote the public health, safety and welfare in the locality involved and such area is not appropriate for redevelopment for predominantly residential uses, the Administrator may extend financial assistance for such a project, but the aggregate of the capital grants made pursuant to this title with respect to such projects shall not exceed 10 percentum of the total amount of capital grants authorized by this title; (2) demolition and removal of buildings and improvements; (3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the area the urban renewal objectives of this title in accordance with the urban renewal plan; and (4) making the land available for development or redevelopment by private enterprise or public agencies (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan. For the purposes of this subsection, "rehabilitation" or "conservation" may include the restoration and renewal of a blighted, deteriorated, or deteriorating area by (1) carrying out plans for a program of voluntary repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan; (2) acquisition of real property and demolition or removal of buildings and improvements thereon where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities; (3) installation, construction, or reconstruction, of such improvements as are described in clause (3) of the preceding sentence; and (4) the disposition of any property acquired in such urban renewal area (including sale, initial leasing, or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan.

"'For the purposes of this title, the term "project" shall not include the construction or improvement of any building, and the term "redevelopment" and derivatives thereof shall mean development as well as redevelopment. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110 (d) hereof.

"'(d) "Local grants-in-aid" shall mean assistance by a State, municipality, or other public body, or (in the case of cash grants or donations of land or other real property) any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants; (2) donations, at cash value, of land or other real property (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project) in the urban renewal area, and demolition, removal, or other work or improvements in the urban renewal area, at the cost thereof, of the types described in clause (2) and clause (3) of either the second or third sentence of section 110 (c); and (3) the provision, at their cost, of public buildings or other public facilities (other than publicly owned housing, public facilities financed by special assessments against land in the project area, and revenue producing public utilities the capital cost of which is wholly financed with local bonds or obligations payable solely out of revenues derived from service charges) which are necessary for carrying out in the area the urban renewal objectives of this title in accordance with the urban renewal plan: *Provided,* That in any case where, in the determination of the Administrator, any park, playground, public building, or other public facility is of direct benefit both to the urban renewal area and to other areas, and the approximate degree of the benefit to such other areas is estimated by the Administrator at 20 per centum or more of the total benefits, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for the project, there shall be included only such portion of the cost of such facility as the Administrator estimates to be proportionate to the approximate degree of the benefit of such facility to the urban renewal area: *And provided further,* That for the purpose of computing the amount of local grants-in-aid under this section 110 (d), the estimated cost (as determined by the Administrator) of parks, playgrounds, public buildings, or other public facilities may be deemed to be the actual cost thereof if (i) the construction or provision thereof is not completed at the time of final disposition of land in the project to be acquired and disposed of under the urban renewal plan, and (ii) the Administrator has received assurances satisfactory to him that such park, playground, public building, or other public facility will be constructed or completed when needed and within a time prescribed by him. With respect to any demolition or removal work, improvement or facility for which a State, municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, the portion of the cost thereof defrayed or estimated by the Administrator to be defrayed with such subsidy or grant shall not be eligible for inclusion as a local grant-in-aid.

"'(e) "Gross project cost" shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash.

"'(f) "Net project cost" shall mean the difference between the gross project cost and the aggregate of (1) the total sales prices of all land or other property sold, and (2) the total capital values (i) imputed, on a basis approved by the Administrator, to all land or other property leased, and (ii) used as a basis for determining the amounts to be transferred to the project from other funds of the local public agency to compensate for any land or other property retained by it for use in accordance with the urban renewal plan.

"'(g) "Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for loan or advance is approved by the Administrator, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 per centum. Any contract for loan made may be revised or superseded by a later contract, so that the going Federal rate, on the basis of which the interest rate on the loan is fixed, shall mean the going Federal rate, as herein defined, on the date that such contract is revised or superseded by such later contract.

"'(h) "Local public agency" means any State, county, municipality, or other governmental entity or public body, or two or more such entities or bodies, authorized to undertake the project for which assistance is sought, "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"'(i) "Land" means any real property, including improved or unimproved land, structures, improvements, easements, incorporeal hereditaments, estates, and other rights in land, legal or equitable.

"'(j) "Administrator" means the Housing and Home Finance Administrator.'

"SEC. 312. Notwithstanding the amendments of this title to title I of the Housing Act of 1949, as amended, the Administrator, with respect to any project covered by any Federal aid contract executed, or prior approval granted, by him under said title I before the effective date of this Act, upon request of the local public agency, shall continue to extend financial assistance for the completion of such project in accordance with the provisions of said title I in force immediately prior to the effective date of this Act.

"SEC. 313. The provisos with respect to the appropriation for capital grants for slum clearance and urban redevelopment contained in title I of the First Independent Offices Appropriation Act, 1954 (Public Law 176, Eighty-third Congress) and in title I of the Independent Offices Appropriation Act, 1955 (Public Law 428, Eighty-third Congress) are hereby repealed.

"SEC. 314. The Housing and Home Finance Administrator is authorized to make grants, subject to such terms and conditions as he shall prescribe, to public bodies, including cities and other political subdivisions, to assist them in developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities for the prevention and the elimination of slums and urban blight. No such grant shall exceed two-thirds of the cost, as determined or estimated by said Administrator, of such activities or undertakings. In administering this section, said Administrator shall give preference to those undertakings which in his judgment can reasonably be expected to (1)

contribute most significantly to the improvement of methods and techniques for the elimination and prevention of slums and blight, and (2) best serve to guide renewal programs in other communities. Said Administrator may make advance or progress payments on account of any grant contracted to be made pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended. The aggregate amount of grants made under this section shall not exceed $5,000,000 and shall be payable from the capital grant funds provided under and authorized by section 103 (b) of the Housing Act of 1949, as amended.

"SEC. 315. Section 19 of the District of Columbia Redevelopment Act of 1945, as amended, is hereby amended by striking '$2,000' in subsection (a) and subsection (b) and inserting in each instance '$2,500 unless insured as provided in title I of the National Housing Act, as amended.'

"SEC. 316. Section 20 of the District of Columbia Redevelopment Act of 1945, as amended, is hereby amended—

"(1) by striking '1949' wherever it appears in said section and inserting '1949, as amended': *Provided*, That this clause (1) shall not limit or restrict any authority under said section 20; and

"(2) by adding the following new subsections at the end of said section:

"'(i) In addition to its authority under any other provision of this Act, the Agency is hereby authorized to plan and undertake urban renewal projects (as such projects are defined in title I of the Housing Act of 1949, as amended), and in connection therewith the Agency, the District Commissioners, the National Capital Planning Commission, and the other appropriate agencies operating within the District of Columbia shall have all of the rights and powers which they have with respect to a project or projects financed in accordance with the preceding subsections of this section: *Provided*, That for the purpose of this subsection the word "redevelopment" wherever found in this Act (except in section 3 (n)) shall mean "urban renewal", and the references in section 6 to the acquisition, disposition, or assembly of real property for a project shall mean the undertaking of an urban renewal project.

"'(j) The District Commissioners are hereby authorized to prepare a workable program as prescribed by section 101 (c) of the Housing Act of 1949, as amended, and are also authorized to request the necessary funds for the preparation of said workable program. The Commissioners may request the participation of the Agency in the preparation of said workable program and may include in their annual estimates of appropriations such funds as may be required by the Commissioners or the Agency, or both, for this purpose. The District Commissioners are hereby authorized, with or without reimbursement, to cooperate with the Agency in carrying out urban renewal projects and to utilize for that purpose the facilities and personnel of the District of Columbia under agreement with the Agency.'

"TITLE IV—LOW-RENT PUBLIC HOUSING

"SEC. 401. The United States Housing Act of 1937, as amended, is hereby amended—

"(1) by adding at the end of section 10 the following new subsection:

"'(i) Notwithstanding the provisions of any other law, the Public Housing Administration may, with respect to low-rent housing projects initiated after March 1, 1949, enter into new contracts, agreements, or other arrangements during the fiscal year 1955 for loans and annual contributions pursuant to the United States Housing Act of 1937, as amended, with respect to not exceeding thirty-five thousand additional units: *Provided*, That no such new contract, agreement, or other arrangement shall be made except with respect to low-rent housing projects to be undertaken in a community in which there is being carried out a slum clearance and urban redevelopment project, or a slum clearance and urban renewal project, assisted under title I of the Housing Act of 1949, as amended, and the local governing body of the community undertaking such slum clearance and urban redevelopment project, or slum clearance and urban renewal project, certifies that such low-rent housing project is necessary to assist in meeting the relocation requirements of section 105 (c) of title I of the Housing Act of 1949, as amended: *And provided further*, That the total number of dwelling units in low-rent housing projects covered by such new contracts, agreements, or other arrangements shall not exceed the total number of such dwelling units which the Administrator determines to be needed for the relocation of families to be displaced as a result of Federal, State, or local governmental action in such community.';

"(2) by striking from subsection 10 (g) the words following the colon up to and including the words 'such families' and inserting the following: "First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance, redevelopment or urban renewal project, or through action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of dwelling units, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing: *Provided*, That as among such projects or actions the public housing agency may from time to time extend a prior preference or preferences: *And provided further*, That, as among families within any such preference group';

"(3) by striking the words 'or was to be displaced by another low-rent housing project or by a public slum-clearance or redevelopment project' in clause (ii) of subsection 15 (8) (b) and inserting the following: 'or was to be displaced by any low-rent housing project or by any public slum-clearance, redevelopment or urban renewal project, or through action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of a dwelling unit or units'; and

"(4) by striking the words 'not later than five years after March 1, 1949' in subsection 15 (8) (b) and inserting 'not later than March 1, 1959'.

"SEC. 402. Subsection 10 (h) of said Act, as amended, is hereby amended to read as follows:

"'(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract shall require the public housing agency to make payments in lieu of taxes equal to 10 per centum of the annual shelter rents charged in such project or such lesser amount as (i) is prescribed by State law, or (ii) is agreed to by the local governing body in its agreement for local cooperation with the public housing agency required under subsection 15 (7) (b) (i) of this Act, or (iii) is due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement: *Provided*, That, if at the time such agreement for local cooperation is entered into it appears that such 10 per centum payments in lieu of taxes will not result in a contribution to the project through tax exemption by the State, city, county, or other political subdivisions in which the project is situated of at least 20 per centum of the annual contributions to be paid by the Authority, the amounts of such payments in lieu of taxes shall be limited by the agreement to amounts, if any, which would not reduce the local contribution below such 20 per centum: *Provided further*, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, an amount equal to the greater of (i) the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project or (ii) 20 per centum of the annual contributions paid by the Authority (but not in excess of the taxes levied): *And provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts in its annual reports. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1954 may be amended in accordance with the first sentence of this subsection.'

"SEC. 403. Section 10 of said Act, as amended, is hereby amended by adding the following new subsection:

"'(j) Every contract made pursuant to this Act for annual contributions for any low-rent housing project for which no such contract has been entered into prior to the enactment of the Housing Act of 1954 shall provide that—

"'(1) after payment in full of all obligations of the public housing agency in connection with the project for which any annual contributions are pledged, and until the total amount of annual contributions paid by the Authority in respect to such project has been repaid pursuant to the provisions of this subsection, (a) all receipts in connection with the project in excess of expenditures necessary for management, operation, maintenance, or financing, and for reasonable reserves therefor, shall be paid annually to the Authority and to local public bodies which have contributed to the project in the form of tax exemption or otherwise, in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project, and (b) no debt in respect to the project, except for necessary expenditures for the project, shall be incurred by the public housing agency;

"'(2) if, at any time, the project or any part thereof is sold, such sale shall be to the highest responsible bidder after advertising, or at fair market value, and the proceeds of such sale together with any reserves, after application to any outstanding debt of the public housing agency in respect to such project, shall be paid to the Authority and local public bodies as provided in clause 1 (a) of this subsection: *Provided*, That the amounts to be paid to the Authority and the local public bodies shall not exceed their respective total contribution to the project.'.

"SEC. 404. Paragraph (6) of section 16 of said Act, as amended, is hereby repealed.

"SEC. 405. Section 10 of the United States Housing Act of 1937, as amended, is hereby amended by adding the following subsection:

"'(k) All expenditures of appropriations for the payment of annual contributions

shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended.'

"SEC. 406. Section 10 of said Act, as amended, is hereby amended by adding the following new subsection:

"'(l) In any community, where it has been determined by resolution or ordinance, or by referendum, that a project shall be liquidated by sale thereof to private ownership, such community may negotiate with the Federal Government with respect to the sale of the project, and the Authority shall agree that sale of the project may be made after public advertisement to the highest bidder upon (1) payment and retirement of all outstanding obligations (together with any interest payable thereon and any premiums prescribed for the redemption of any bonds, notes, or other obligations prior to maturity) in connection with the project, and (2) payment of any proceeds received from the sale of the project in excess of the amounts required to comply with the requirements of the preceding clause numbered (1) to the Authority and to local public bodies in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project.'

"TITLE V—HOME LOAN BANK BOARD

"SEC. 501. The National Housing Act, as amended, is hereby amended—

"(1) by amending section 402 (c) (4) to read as follows:

"'(4) To sue and be sued, complain and defend, in any court of competent jurisdiction in the United States or its Territories or possessions or the Commonwealth of Puerto Rico, and may be served by serving a copy of process on any of its agents or any agent of the Home Loan Bank Board and mailing a copy of such process by registered mail to the Corporation at Washington, District of Columbia.';

"(2) by adding the following new subsection to section 405:

"'(c) No action against the Corporation to enforce a claim for payment of insurance upon an insured account of an insured institution in default shall be brought after the expiration of three years from the date of default unless, within such three-year period, the conservator, receiver, or other legal custodian of the insured institution shall have recognized such insured account as a valid claim against the insured institution and the claim for payment of insurance shall have been presented to the Corporation and its validity denied, in which event the action may be brought within two years from the date of such denial.'; and

"(3) by striking the first four sentences of section 407 and inserting the following: 'Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation. Whenever in the opinion of the Home Loan Bank Board any insured institution has violated its duty as such or has continued unsafe or unsound practices in conducting the business of such institution, or has knowingly or negligently permitted any of its officers or agents to violate any provision of any law or regulation to which the insured institution is subject, said Board shall first give to the authority having supervision of the institution, if any, a statement with respect to such practices or violations for the purpose of securing the correction thereof and shall give a copy thereof to the institution. In the case of an institution of a State where there is no supervisory authority the statement shall be sent directly to the institution. Unless such correction shall be made within one hundred and twenty days or such shorter period of time as the supervisory authority, if any, shall require, the Home Loan Bank Board, if it shall determine to proceed further, shall give to the institution not less than thirty days' written notice of intention to terminate the status of the institution as an insured institution, and shall fix a time and place for a hearing before the Home Loan Bank Board, a member thereof, or a person designated by the Board. The Home Loan Bank Board shall make written findings. Unless the institution shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured institution. If the Home Loan Bank Board shall find that any unsafe or unsound practice or violation specified in such notice has been established and has not been corrected within the time above prescribed in which to make such correction, the Home Loan Bank Board may issue its order terminating the insured status of the institution effective on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The hearing hereinabove provided for shall be held in accordance with the provisions of the Administrative Procedure Act and shall be subject to review as therein provided and the review by the court shall be upon the weight of the evidence. In the event of the termination of such status, insurance of its accounts to the extent that they were insured on the date of such notice by the institution to the Corporation or such order of termination, less any amounts thereafter withdrawn, repurchased, or redeemed which reduce the insured accounts of an insured member below the amount insured on the date of such notice or order, shall continue for a period of two years, but no investments or deposits made after the date of such notice or order of termination shall be insured. The Corporation shall have the right to examine such institution from time to time during the two-year period aforesaid. Such insured institution shall be obligated to pay, within thirty days after any such notice or order of termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium paid by it.'

"SEC. 502. The Federal Home Loan Bank Act, as amended, is hereby amended by striking '$20,000' in section 10 (b) (2) and inserting '$35,000.'

"SEC. 503. The Home Owners' Loan Act of 1933, as amended, is hereby amended—

"(1) by striking '$20,000' wherever it appears in the first paragraph of subsection (c) of section 5 and inserting '$35,000';

"(2) by amending subsection (d) of section 5 to read as follows:

"'(d) (1) The Board shall have power to enforce this section and rules and regulations made hereunder. In the enforcement of any provision of this section or rules and regulations made hereunder, or any other law or regulation, and in the administration of conservatorships and receiverships as provided in subsection (d) (2) hereof, the Board is authorized to act in its own name and through its own attorneys. The Board shall have power to sue and be sued, complain and defend in any court of competent jurisdiction in the United States or its territories or possessions or the Commonwealth of Puerto Rico. It shall by formal resolution state any alleged violation of law or regulation and give written notice to the association concerned of the facts alleged to be such violation, except that the appointment of a Supervisory Representative in Charge, a conservator or a receiver shall be exclusively as provided in subsection (d) (2) hereof. Such association shall have thirty days within which to correct the alleged violation of law or regulation and to perform any legal duty. If the association concerned does not comply with the law or regulation within such period, then the Board shall give such association twenty days' written notice of the charges against it and of a time and place at which the Board will conduct a hearing as to such alleged violation of duty. Such hearing shall be in the Federal judicial district of the association unless it consents to another place and shall be conducted by a hearing examiner as is provided by the Administrative Procedure Act. The Board or any member thereof or its designated representative shall have power to administer oaths and affirmations and shall have power to issue subpenas and subpenas duces tecum, and shall issue such at the request of any interested party, and the Board or any interested party may apply to the United States district court of the district where such hearing is designated for the enforcement of such subpena or subpena duces tecum and such courts shall have power to order and require compliance therewith. A record shall be made of such hearing and any interested party shall be entitled to a copy of such record to be furnished by the Board at its reasonable cost. After such hearing and adjudication by the Board, appeals shall lie as is provided by the Administrative Procedure Act, and the review by the court shall be upon the weight of the evidence. Upon the giving of notice of alleged violation of law or regulation as herein provided, either the Board or the association affected may, within thirty days after the service of said notice, apply to the United States district court for the district where the association is located for a declaratory judgment and an injunction or other relief with respect to such controversy, and said court shall have jurisdiction to adjudicate the same as in other cases and to enforce its orders. The Board may apply to the United States district court of the district where the association affected has its home office for the enforcement of any order of the Board and such court shall have power to enforce any such order which has become final. The Board shall be subject to suit by any Federal savings and loan association with respect to any matter under this section or regulations made thereunder, or any other law or regulation, in the United States district court for the district where the home office of such association is located, and may be served by serving a copy of process on any of its agents and mailing a copy of such process by registered mail, to the Home Loan Bank Board, Washington, District of Columbia.

"'(2) The grounds for the appointment of a conservator or receiver for a Federal savings and loan association shall be one or more of the following: (i) insolvency in that the assets of such association are less than its obligations to its creditors and others, including its members; (ii) violation of law or of a regulation; (iii) the concealment of its books, records, or assets or the refusal to submit its books, papers, records, or affairs for inspection to any examiner or lawful agent appointed by the Home Loan Bank Board; and (iv) unsafe or unsound operation. The Board shall have exclusive jurisdiction to appoint a Supervisory Representative in Charge, conservator, or receiver. If, in the opinion of the Board, a ground for the appointment of a conservator or receiver as herein provided exists and the Board determines that an emergency exists requiring immediate action, the Board is authorized to appoint ex parte and without notice a Supervisory Representative in Charge to take charge of said association and its affairs who shall have and exercise all the powers herein provided for conservators and receivers. Unless sooner removed by the Board, such Supervisory Representative in Charge shall hold office until a conservator or receiver, appointed by the Board after notice as herein provided, takes charge of the association and its affairs, or for six months, or until thirty days after the termination of the administrative hearing and final proceedings herein provided, or until sixty days after the final termination of any litigation affecting such temporary appointment, whichever is longest. The Board shall have the power to appoint a conservator or receiver but no such

appointment of a conservator or receiver shall be made except pursuant to a formal resolution of the Board stating the grounds therefor and except notice thereof is given to said association stating the grounds therefor and until an opportunity for an administrative hearing thereon is afforded to said association. Such hearing shall be held in accordance with the provisions of the Administrative Procedure Act and shall be subject to review as therein provided and the review by the court shall be upon the weight of the evidence. A conservator shall have all the powers of the members, the directors, and officers of the Federal association and shall be authorized to operate it in its own name or conserve its assets in the manner and to the extent authorized by the Board. The Board shall appoint only the Federal Savings and Loan Insurance Corporation as receiver for any Federal savings and loan association, which shall have power as receiver to buy at its own sale subject to approval by the Board. With the consent of the association expressed by a resolution of the board of directors or of its members, the Board is authorized to appoint a conservator or receiver for a Federal association without notice and without hearing. The Board shall have power to make rules and regulations for the reorganization, merger, and liquidation of Federal associations and for such associations in conservatorship and receivership and for the conduct of conservatorships and receiverships. Whenever a Supervisory Representative in Charge, conservator, or receiver, appointed by the Board pursuant to the provisions of this section, demands possession of the property, business and assets of any association, the refusal of any officer, agent, employee, or director of such association to comply with the demand shall be punishable by a fine of not more than $1,000 or by imprisonment for not more than one year or both by such fine and imprisonment.'; and

"(3) by striking out the second paragraph of subsection (c) of section 5 and inserting in lieu thereof the following new paragraph:

"'Without regard to any other provision of this subsection except the area requirement such associations are authorized to invest a sum not in excess of 15 per centum of the assets of such association in loans insured under title I of the National Housing Act, as amended, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan shall be made in excess of $2,500.'

"TITLE VI—VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

"Declaration of policy

"SEC. 601. It is declared to be the policy of Congress—

"(a) to seek the constant improvement of the living conditions of all the people under a strong, free, competitive economy, and to take such action as will facilitate the operation of that economy to provide adequate housing for all the people and to meet the demands for new building;

"(b) to provide a means of financing housing within the framework of our private enterprise system and without vast expenditures of public moneys;

"(c) to encourage and facilitate the flow of funds for housing credit into remote areas and small communities, where such funds are not available in adequate supply; and

"(d) to assist in the development of a program consonant with sound underwriting principles, whereby private financing institutions engaged in mortgage lending can make a maximum contribution to the economic stability and growth of the Nation through extension of the market for insured or guaranteed mortgage loans.

"Definitions

"SEC. 602. As used in this title, the following terms shall have the meanings respectively ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

"(a) 'Insured or guaranteed mortgage loan' means any loan made for the construction or purchase of a family dwelling or dwellings and which is (1) guaranteed or insured under the Servicemen's Readjustment Act of 1944, as amended, or (2) secured by a mortgage insured under the National Housing Act, as amended.

"(b) 'Private financing institutions' means life-insurance companies, savings banks, commercial banks, savings and loan associations (including cooperative banks, homestead association, and building and loan associations), and mortgage companies.

"(c) 'Administrator' means the Housing and Home Finance Administrator.

"(d) 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"National Voluntary Mortgage Credit Extension Committee

"SEC. 603. There is hereby established a National Voluntary Mortgage Credit Extension Committee, hereinafter called the 'National Committee', which shall consist of the Housing and Home Finance Administrator, who shall act as Chairman of the National Committee, and fourteen other persons appointed by the Administrator as follows:

"(a) Two representatives of each type of private financing institutions;

"(b) Two representatives of builders of residential properties; and

"(c) Two representatives of real estate boards.

"The Administrator shall also request the Board of Governors of the Federal Reserve System to designate a representative of the Board to serve on the National Committee in an advisory capacity.

"The Administrator shall also request the Administrator of Veterans' Affairs to designate a representative to serve on the National Committee in an advisory capacity.

"The Administrator shall also request the Home Loan Bank Board to designate a representative of the Board to serve on the National Committee in an advisory capacity.

"In selecting and appointing the members of the National Committee, the Administrator shall have due regard to fair representation thereon for small, medium, and large private financing institutions and for different geographical areas. Members of the National Committee appointed by the Administrator shall serve on a voluntary basis.

"Regional subcommittees

"SEC. 604. (a) As soon as practicable, the National Committee shall divide the United States into regions conforming generally to the Federal Reserve districts. The Administrator, after consultation with the other members of the National Committee, shall, for each such region, designate five or more persons representing private financing institutions and builders of residential properties in such region to serve as a regional subcommittee of the National Committee for the purpose of assisting in placing with private financing institutions insured or guaranteed mortgage loans as hereinafter set forth. In designating the members of each such regional subcommittee, the Administrator shall have due regard to fair representation thereon for small, medium, and large financing institutions and builders of residential properties and for different geographical areas within such regions. Members of each regional subcommittee shall serve on a voluntary basis.

"(b) The Administrator is authorized and directed, upon the request of a regional subcommittee, to provide such subcommittee with a suitable office and meeting place and to furnish to the subcommittee such staff assistance as may be reasonably necessary for the purpose of assisting it in the performance of the functions hereinafter set forth. In complying with these requirements, the Administrator may act through and may utilize the services of the several Federal home-loan banks.

"Function of National Committee and of regional subcommittees

"SEC. 605. It shall be the function of the National Committee and the regional subcommittees to facilitate the flow of funds for residential mortgage loans into areas or communities where there may be a shortage of local capital for, or inadequate facilities for access to, such loans, and to achieve the maximum utilization of the facilities of private financing institutions for this purpose by soliciting and obtaining the cooperation of all such private financing institutions in extending credit for insured or guaranteed mortgage loans wherever consistent with sound underwriting principles.

"SEC. 606. The National Committee shall study and review the demand and supply of funds for residential mortgage loans in all parts of the country, and shall receive reports from and correlate the activities of the regional subcommittees. It shall also periodically inform the Commissioner of the Federal Housing Administration and the Administrator of Veterans' Affairs concerning the results of the studies and of the progress of the National Committee and regional subcommittees in performing their function, and shall to the extent practicable maintain liaison with State and local Government housing officials in order that they may be fully apprized of the function and work of the National Committee and regional subcommittees. The Administrator shall, not later than April 1 in each year, make a full report of the operations of the National Committee and the regional subcommittees to the Congress.

"SEC. 607. (a) Each regional subcommittee shall study and review the demand and supply of funds for residential mortgage loans in its region, shall analyze cases of unsatisfied demand for mortgage credit, and shall report to the National Committee the results of its study and analysis. It shall also maintain liaison with officers of the Federal Housing Administration and of the Veterans' Administration within its region in order that such officers may be fully apprized of the function and work of the National Committee and regional subcommittees. It shall request such officers to supply to the subcommittee information regarding cases of unsatisfied demand for mortgage credit for loans eligible for insurance under the National Housing Act, as amended, or for insurance or guaranty under the Servicemen's Readjustment Act of 1944, as amended. Such officers are authorized to furnish such information to such subcommittee.

"(b) A regional subcommittee shall render assistance to any applicant for a loan, the proceeds of which are to be used for the construction or purchase of a family dwelling or dwellings, upon receipt of a certificate from such applicant, stating that—

"(1) application for such loan has been made to at least two private financing institutions, or in the alternative to such private financing institution or institutions as may be reasonably accessible to the applicant;

"(2) the applicant has been informed by the above-mentioned private financing institution or institutions that funds for mortgage credit on the loan are unavailable; and

"(3) the applicant is eligible for insurance or guaranty under the Servicemen's Readjustment Act of 1944, as amended, or consents that the mortgage to be issued as

security for the loan be insured under the National Housing Act, as amended.

Upon receipt of such certification from an applicant the regional subcommittee shall circularize private financing institutions in the region or elsewhere and shall use its best efforts to enable the applicant to place the loan with a private financing institution. It shall render similar assistance to any applicant for a loan, the proceeds of which are to be used for the construction or purchase of a family dwelling or dwellings, upon receipt of information from the Veterans' Administration to the effect that the applicant has applied for a direct loan, if he is eligible for such a loan, and that he is eligible for insurance or guaranty, under the Servicemen's Readjustment Act of 1944, as amended. In order to encourage small or local private financing institutions to originate insured or guaranteed mortgage loans, it may also render similar assistance to private financing institutions in locating other private financing institutions willing to repurchase such mortgage loans on a mutually satisfactory basis.

"(c) In the performance of its responsibilities under subsection (b) of this section, a regional subcommittee may at its discretion (1) request the National Committee to obtain for it the aid of other regional subcommittees in seeking sources of mortgage credit, and (2) request and obtain voluntary assurances from any one or more private financing institutions that they will make funds available for insured or guaranteed mortgage loans in any specified area or areas within its region in which the subcommittee finds that there is a lack of adequate credit facilities for such loans.

"Regulations of Administrator

"SEC. 608. The Administrator, after consultation with the National Committee, shall have power to issue general rules and procedures for the effective implementation of this title and for the functioning of the regional subcommittees, pursuant to the provisions hereof and not in conflict herewith.

"General provisions

"SEC. 609. No act pursuant to the provisions of this title and which occurs while this title is in effect shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. Service as a member of the National Committee or of any regional subcommittee is not to be construed as holding any office or employment with the Government of the United States. The Administrator is authorized and directed, upon the request of the National Committee, to provide such Committee with a suitable office and meeting place and to furnish to the Committee such staff assistance as may be reasonably necessary for the purpose of assisting it in the performance of the functions of such Committee. Funds available to the Administrator for administrative expenses shall be available for all expenses necessary in carrying out the provisions of this title, including expenses of persons serving as members of any committee or subcommittee established pursuant to this title for communications, transportation, and not to exceed $25 per diem in lieu of subsistence when away from their homes or regular places of business in connection with the business of such committee or subcommittee.

"SEC. 610. (a) This title and all authority conferred hereunder shall terminate at the close of June 30, 1957.

"(b) Notwithstanding subsection (a), Congress, by concurrent resolution, may terminate this title prior to the termination date hereinabove provided for.

"TITLE VII—URBAN PLANNING AND RESERVE OF PLANNED PUBLIC WORKS

"Urban planning

"SEC. 701. To facilitate urban planning for smaller communities lacking adequate planning resources, the Administrator is authorized to make planning grants to State planning agencies for the provision of planning assistance (including surveys, land use studies, urban renewal plans, technical services and other planning work, but excluding plans for specific public works) to cities and other municipalities having a population of less than 25,000 according to the latest decennial census. The Administrator is further authorized to make planning grants for similar planning work in metropolitan and regional areas to official State, metropolitan, or regional planning agencies empowered under State or local laws to perform such planning. Any grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made and shall be subject to terms and conditions prescribed by the Administrator to carry out this section. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding $5,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"Reserve of planned public works

"SEC. 702. (a) In order (1) to encourage municipalities and other public agencies to maintain a continuing and adequate reserve of planned public works the construction of which can rapidly be commenced whenever the economic situation may make such action desirable, and (2) to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator is hereby authorized, during the period of three years commencing on July 1, 1954, to make advances to public agencies from funds available under this section (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works: *Provided*, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned.

"(b) No advance shall be made hereunder with respect to any individual project unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance when due. Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning, the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed.

"(c) Advances under this section to any public agency shall be repaid without interest by such agency when the construction of the public works is undertaken or started: *Provided*, That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government's demand for repayment to the date of payment thereof by the public agency. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

"(d) The Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

"(e) There is hereby authorized to be appropriated not exceeding $10,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended: *Provided*, That not to exceed 1 per centum of the funds appropriated under this section may be used for the purpose of surveying the status and current volume of advanced public works planning among the several States and their subdivisions, such surveys to be carried out by the Administrator in cooperation with the Council of Economic Advisers in the Executive Office of the President. Not more than 5 per centum of the funds so appropriated shall be expended in any one State.

"Definitions

"SEC. 703. As used in this title, (1) the term 'State' shall mean any State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; (2) the term 'Administrator' shall mean the Housing and Home Finance Administrator; (3) the term 'public works' shall include any public works other than housing; and (4) the term 'public agency' or 'public agencies' shall mean any State, as herein defined, or any public agency or political subdivision therein.

"TITLE VIII—MISCELLANEOUS PROVISIONS

"SEC. 801. (a) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby authorized and directed to require that, in connection with any property upon which there is located a dwelling designed principally for not more than a four-family residence and which is approved for mortgage insurance or guaranty prior to the beginning of construction, the seller or builder, and such other person as may be required by the said Commissioner or Administrator to become warrantor, shall deliver to the purchaser or owner of such property a warranty that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein, which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans' Affairs) on which the Federal Housing Commissioner or the Administrator of Veterans' Affairs based his valuation of the dwelling: *Provided*, That the Federal Housing Commissioner or the Administrator of Veterans' Affairs shall deliver to the builder, seller, or other warrantor his written approval (which shall be conclusive evidence of such approval) of any amendment of, or change or variation in, such plans and specifications which the Commissioner or the Administrator deems to be a substantial amendment thereof, or change or variation therein, and shall file a copy of such written approval with such plans and specifications: *Provided further*, That such warranty shall apply only with respect to such instances of substantial nonconformity to such approved plans and specifications (including any amendments thereof, or changes or variations therein, which have been approved in writing, as provided herein, by the Federal Housing Commissioner or the Administrator of Veterans' Affairs) as to which the purchaser or homeowner has given written notice to the warrantor within one year from the date of conveyance of title to, or initial occupancy of, the dwelling, whichever first occurs: *Provided further*, That such warranty shall be in addition to, and not in derogation of, all other rights and privileges which such purchaser or owner may have under any other law or instrument: *And provided further*, That the provisions of this section shall apply to any such property covered by a mortgage insured or guaranteed by the Federal Housing Commissioner or the Administrator of Veterans' Affairs on and after October 1, 1954, unless such mortgage is insured or guaranteed pursuant to a commitment therefor made prior to October 1, 1954.

"(b) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are further directed to permit

copies of the plans and specifications (including written approvals of any amendments thereof, or changes or variations therein, as provided herein) for dwellings in connection with which warranties are required by subsection (a) of this section to be made available in their appropriate local offices for inspection or for copying by any purchaser, homeowner, or warrantor during such hours or periods of time as the said Commissioner and Administrator may determine to be reasonable.

"SEC. 802. (a) The Housing and Home Finance Administrator shall, as soon as practicable during each calendar year, make a report to the President for submission to the Congress on all operations under the jurisdiction of the Housing and Home Finance Agency during the previous calendar year.

"(b) Section 311 of 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended; section 6 of 'An Act to provide for the advance planning of non-Federal public works', approved October 13, 1949, as amended; and sections 5 and 402 (f) of the National Housing Act, as amended, are hereby repealed.

"(c) The National Housing Act, as amended, is hereby amended—

"(1) by striking the heading 'ANNUAL REPORT' immediately after section 4 and inserting 'TAXATION'; and

"(2) by striking from subsection (e) of section 406 the word 'Congress' and inserting 'Housing and Home Finance Administrator.'

"(d) The first sentence of section 7 (b) of the United States Housing Act of 1937, as amended, is hereby amended to read as follows: "The annual report of the Housing and Home Finance Administrator to the President for submission to the Congress on the operations of the Housing and Home Finance Agency shall include a report on the operations and expenses of the Authority, including loans, contributions, and grants made or contracted for, low-rent housing and slum clearance projects undertaken, and the assets and liabilities of the Authority.'

"(e) Section 106 (a) of the Housing Act of 1949, as amended, is hereby amended by striking '; and' at the end of paragraph (3) thereof, inserting a period in lieu thereof, and striking paragraph (4).

"(f) The Federal Home Loan Bank Act, as amended, is hereby amended by striking the second sentence of section 20.

"SEC. 803. Section 501 (b) of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended to read as follows:

"'(b) Any loan made to a veteran for the purposes specified in subsection (a) of this section 501 may, notwithstanding the provisions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding 60 per centum of the loan: *Provided*, That the aggregate amount of any guaranties to a veteran under this title shall not exceed $7,500, nor shall any gratuities payable under subsection (c) of section 500 of this title exceed the amount which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title: *And provided further*, That no such loan for the repair, alteration, or improvement of property shall be insured or guaranteed under this Act unless such repair, alteration, or improvement substantially protects or improves the basic livability or utility of the property involved.'

"SEC. 804. Section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230) is amended as follows:

"(1) Strike out from subsection (a) thereof the words 'the President, through such officer or agency of the Government (other than the Reconstruction Finance Corporation) as he may designate,' and insert in lieu thereof the words 'the Housing and Home Finance Administrator'.

"(2) Strike out all of subsection (b) and insert in lieu thereof the following:

"'(b) For the purposes of this section, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized to obtain from a revolving fund to be established in the Treasury of the United States not to exceed a total of $50,000,000 outstanding at any one time. For this purpose there is hereby authorized to be appropriated to such revolving fund in the Treasury the amount of $50,000,000. Advances from the revolving fund shall be made to the Housing and Home Finance Administrator upon his request, and such advances together with receipts under this section shall be available for all necessary expenses, including administrative expenses, under this section. The Housing and Home Finance Administrator shall pay into the Treasury as miscellaneous receipts, at the close of each fiscal year, interest on the amount of advances outstanding, at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities. As the Housing and Home Finance Administrator repays principal sums advanced from the revolving fund pursuant to this section, such repayments shall be made to the revolving fund.'

"(3) Strike out from subsection (c) thereof the words 'officer or agency designated by the President' and insert in lieu thereof the words 'Housing and Home Finance Administrator'.

"(4) Strike out from subsection (d) thereof '1955' and insert in lieu thereof '1956'.

"SEC. 805. The Act entitled 'An Act to expedite the provision of housing in connection with national defense, and for other purposes', approved October 14, 1940, as amended, is hereby amended—

"(1) by adding the following at the end of section 605 (a):

"'In any city in which, on March 1, 1953, there were more than ten thousand temporary housing units held by the United States of America, or in any two contiguous cities in one of which there were on such date more than ten thousand temporary housing units so held, the Administrator may acquire, by purchase or condemnation, a fee simple title to any lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veterans' housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will expedite the disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing, (2) the city or a local public agency has, in accordance with authority under State law, entered into a firm agreement to purchase the land so acquired at a price determined by the Administrator to be fair, but in no event less than the estimated cost to the Federal Government of acquiring the fee simple title (including an estimated amount to cover legal and overhead expenses of such acquisition) as determined by the Administrator, (3) the city or local public agency has furnished evidence satisfactory to the Administrator that it has or will have funds available to make all agreed-upon payments to the Federal Government and to protect the Federal Government against any loss resulting from the acquisition of fee simple title, (4) the city or local public agency has furnished assurances satisfactory to the Administrator that the land will be made available to private enterprise for development, in accordance with local zoning and other laws, for predominantly residential uses, and (5) the city or local public agency has furnished assurances satisfactory to the Administrator that no individual who is employed by, or is an official of, the government of the city in which the land is located, or any agency thereof, shall be permitted, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: *Provided*, That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding four hundred and twenty-five acres of land in the general area in which approximately one thousand five hundred units of temporary housing held by the United States of America were unoccupied on said date.';

"(2) by adding the following new subsection at the end of section 607:

"'(g) The Administrator may dispose of any permanent war housing without regard to the preferences in subsections (b) and (c) of this section when he determines that (1) such housing, because of design or lack of amenities, is unsuitable for family dwelling use, or (2) it is being used at the time of disposition for other than dwelling purposes, or (3) it was offered, with preferences substantially similar to those provided in the Housing Act of 1950 (64 Stat. 48), to veterans and occupants prior to enactment of said Act.'; and

"(3) by adding the following new section at the end of title VI:

"'SEC. 613. Upon a certification by the Secretary of the Interior that any surplus housing, classified by the Administrator as demountable, in the area of San Diego, California, is needed to provide dwelling accommodations for members of a tribe of Indians in Riverside County or San Diego County, California, the Administrator is hereby authorized, not withstanding any other provision of law, to transfer and convey such housing without consideration to such tribe, the members thereof, or the Secretary of the Interior in trust therefor, as the Secretary may prescribe: *Provided*, That the term housing as used in this section shall not include land.'

"SEC. 806. Subsection 302 (b) of Public Law 139, 82d Congress, as amended, is hereby amended by striking the second sentence thereof and adding the following:

"'Any temporary housing constructed or acquired under this title which the Administrator determines to be no longer needed for use under this title shall, unless transferred to the Department of Defense pursuant to section 306 hereof, or reported as excess to the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Services Act of 1949, as amended, be sold as soon as practicable to the highest responsible bidder after public advertising, except that if one or more of such bidders is a veteran purchasing a dwelling unit for his own occupancy the sale of such unit shall be made to the highest responsible bidder who is a veteran so purchasing: *Provided*, That the Housing and Home Finance Administrator may reject any bid for less than two-thirds of the appraised value as determined by him: *Provided further*, That the housing may be sold at fair value (as determined by the Housing and Home Finance Administrator) to a public body for public use: *And provided further*, That the housing structures shall be sold for removal from the site, except that they may be sold for use on the site if the governing body of the locality has adopted a resolution approving use of such structures on the site.'

"SEC. 807. Section 601 of the Housing Act of 1949 is hereby amended to read as follows:

"'SEC. 601. The Housing and Home Finance Administrator and the head of each constituent agency of the Housing and Home Finance Agency is hereby authorized to establish such advisory committee or committees as each may deem necessary in carrying

out any of his functions, powers, and duties under this or any other Act or authorization. Service as a member of any such committee shall not constitute any form of service, employment, or action within the provisions of sections 281, 283, 284, or 1914 of title 18, United States Code, or within the provisions of section 190 of the Revised Statutes (5 U. S. C. 99). Persons serving without compensation as members of any such committee may be paid transportation expenses and not to exceed $25 per diem in lieu of subsistence, as authorized by section 5 of the Act of August 2, 1946 (5 U. S. C. 73b–2).'

"SEC. 808. (a) Section 202 of the Act entitled 'An Act relating to the construction of school facilities in areas affected by Federal activities, and for other purposes', approved September 23, 1950, as amended, is hereby amended by adding the following new sentence at the end thereof: 'In any case where such facilities are or have been damaged or destroyed by fire or other casualty after they have become eligible for such transfer but before such transfer has been completed, the head of the Federal department or agency may assign or pay to such local educational agency, solely for use in repairing or reconstructing such facilities, all or any part of any insurance receipts in connection with such casualty which are payable or have been paid in consideration of premiums which such local educational agency has advanced for the benefit of the United States.'

"(b) The third sentence of section 401 (a) of title IV of the Housing Act of 1950, as amended, is hereby amended by striking out the word 'made' and inserting the words 'is approved by the Administrator'.

"SEC. 809. Notwithstanding the provisions of any other law, (1) the Housing and Home Finance Administrator is authorized and directed to sell to the University of California, at fair market value as determined by him, all of the properties, including land, comprising war housing projects CAL–4041 and 4042 known as Canyon Crest Homes located in Riverside County, California; (2) the Public Housing Commissioner is authorized to permit the Housing Authority of the city of Columbia, South Carolina, to sell to the University of South Carolina, at fair market value as determined by him, all of the property, including land, comprising the seventy-four-unit housing project Numbered SC–2–5 known as University Terrace, located in Columbia, South Carolina, and to use, with the approval of the said Commissioner, the proceeds of such sale as a loan for the development of other low-rent housing in the city of Columbia, South Carolina, in replacement of said project Numbered SC–2–5, under terms and conditions which will be satisfactory to the Public Housing Commissioner and which will, in his opinion, protect the interest of the United States, and the annual contributions now contracted for in respect to project Numbered SC–2–5 shall continue to be available and may be contracted for in respect to such other low-rent housing; and (3) the Housing and Home Finance Administrator is authorized and directed to convey, without monetary consideration, to the Housing Authority of Saint Louis County, Missouri, all of the right, title, and interest of the United States in and to the one hundred and fifty-six housing units in public housing project Numbered MO–V–23153.

"SEC. 810. Notwithstanding the provisions of any other law, the Housing and Home Finance Administrator is authorized to sell and convey all right, title and interest of the United States (including any off-site easements) at fair market value as determined by him, in and to war housing project CONN–6029, known as Westfield Heights, containing one hundred and thirty dwelling units on approximately twenty-three and nineteen one-hundredths acres of land in Wethersfield, Connecticut, and CONN–6125, known as Drum Hill Park, containing one hundred and twenty-five dwelling units on approximately fifty-two and thirty-three one-hundredths acres of land in Rocky Hill, Connecticut, to the housing authority of the town of Wethersfield, Connecticut, for use in providing moderate rental housing. Any sale pursuant to this section shall be on such terms and conditions as the Administrator shall determine: *Provided*, That full payment to the United States shall be required within a period of not to exceed thirty years with interest on unpaid balance at not to exceed 5 per centum per annum.

"SEC. 811. The Housing and Home Finance Agency, including its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing under this or any other law shall exercise such powers, functions, or duties in such manner as, consistent with the requirements thereof, will facilitate progress in the reduction of the vulnerability of congested urban areas to enemy attack.

"SEC. 812. Title V of the Housing Act of 1949, as amended, is hereby amended as follows:

"(a) At the end of the first sentence of section 511 strike '$8,500,000' and insert '$100,000,000'.

"(b) In section 512, strike '$170,000' and insert '$2,000,000'.

"(c) In section 513, strike '$850,000' and insert '$10,000,000'.

"SEC. 813. Section 504 of the Housing Act of 1950, as amended, is hereby repealed.

"Records

"SEC. 814. Every contract between the Housing and Home Finance Agency (or any official or constituent thereof) and any person or local body (including any corporation or public or private agency or body) for a loan, advance, grant, or contribution under the United States Housing Act of 1937, as amended, or the Housing Act of 1949, as amended, shall provide that such person or local body shall keep such records as the Housing and Home Finance Agency (or such official or constituent thereof) shall from time to time prescribe, including records which permit a speedy and effective audit and will fully disclose the amount and the disposition by such person or local body of the proceeds of the loan, advance, grant, or contribution, or any supplement thereto, the capital cost of any construction project for which any such loan, advance, grant, or contribution is made, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. No mortgage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act, as amended) shall be insured unless the mortgagor certifies that he will keep such records as are prescribed by the Federal Housing Commissioner at the time of the certification and that they will be kept in such form as to permit a speedy and effective audit. The Housing and Home Finance Agency or any official or constituent agency thereof shall have access to and the right to examine and audit such records. This section shall become effective on the first day after the first full calendar month following the date of approval of the Housing Act of 1954.

"Applicants for assistance required to submit specifications

"SEC. 815. Every contract for a loan, grant, or contribution under the United States Housing Act of 1937, as amended, or title I of the Housing Act of 1949, as amended, for the construction of a project shall require the submission of specifications with respect to such construction prior to the authorization for the award of the construction contract and the submission of data with respect to the acquisition of land prior to the authorization to acquire such land.

"Audits under Public Housing Act of 1937; Comptroller General

"SEC. 816. Every contract for loans or annual contributions under the United States Housing Act of 1937, as amended, shall provide that the Public Housing Commissioner and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency entering into such contract that are pertinent to its operations with respect to financial assistance under the United States Housing Act of 1937, as amended.

"Report to Congress of information on housing

"SEC. 817. The annual report made by the Housing and Home Finance Administrator to the President for submission to the Congress on all operations provided for by section 802 hereof shall contain pertinent information with respect to all projects for which any loan, contribution, or grant has been made by the Housing and Home Finance Agency, including the amount of loans, contributions and grants contracted for, and shall also contain pertinent information with respect to all builders' cost certifications required by section 227 of the National Housing Act, as amended, including information as to the amounts paid by mortgagors to mortgagees for application to the reduction of the principal obligations of the mortgages pursuant to that section.

"Act controlling

"SEC. 818. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

"Separability

"SEC. 819. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances."

And the Senate agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
Managers on the Part of the House.

HOMER E. CAPEHART,
JOHN W. BRICKER,
WALLACE F. BENNETT,
BURNET R. MAYBANK,
A. WILLIS ROBERTSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment.

Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House bill and the substitute agreed to in conference.

GENERAL STATEMENT

Shortly after passage of the House bill, information became available with respect to alleged serious irregularities and abuses that have occurred under FHA programs, particularly the title I small property improvement insurance program and the financing of privately owned rental-housing projects insured under section 608 of the National Housing Act. As the Senate Banking and Currency Committee had not yet reported the proposed Housing Act of 1954 that committee took immediate cognizance of the allegations and made a preliminary investigation of these charges to ascertain what changes should be made in the Housing Act of 1954 to protect against the abuses which had been disclosed. Meanwhile the House Committee on Banking and Currency held a series of informal meetings with representatives of the Housing and Home Finance Agency, the FHA, and the Department of Justice to review the nature and extent of allegations made and to consider proposals made by the Agency to strengthen the National Housing Act to prevent reoccurrence of abuses. One of the purposes of these informal meetings was to acquaint the members of the House Banking and Currency Committee, who would be members of the committee of conference, with facts which had been developed and corrective proposals which were being made in order that the House conferees would be in a better position to evaluate the many corrective provisions which were added to the House bill by the Senate amendment. Some of these changes resulted from proposals made by the Senate Banking and Currency Committee in reporting the bill and others resulted from amendments made to the bill while it was under consideration by the Senate.

The committee of conference throughout its extensive deliberations has carefully weighed the changes proposed by the Senate amendment to the House passed bill. Throughout the conference there was complete agreement that while there was necessity for strengthening the housing laws to prevent the reoccurrence of past abuses, it was also imperative that the changes made not be of such a nature as to make our Federal housing laws unworkable or as seriously to impair the assistance which they should properly give to the encouragement and continuation of a high volume of housing production and housing improvements for our people.

FHA TITLE I INSURANCE OF HOME REPAIR AND IMPROVEMENT LOANS

The House bill provided that a home repair or improvement loan could be insured in an amount up to $3,000 in place of the $2,500 limitation in existing law, and provided for extension of maturity on such insured loans from the 3 years and 32 day limit of existing law to a maximum maturity of 5 years and 32 days. Under existing law FHA title I insurance may also be obtained on loans to finance the improvement or conversion of existing structures used or to be used as dwellings for two or more families. On such loans existing law limits the amount to $10,000 and the maturity to 7 years and 32 days. The House bill provided that the amount of such a loan could be either $10,000 or $1,500 per family unit, whichever is greater, and increased the permissible maturity to 10 years and 32 days. The Senate amendment struck out the provisions in the House bill extending the maturities and increasing the amounts of title I insured loans, thus in effect retaining the limitations of existing law. The conference substitute likewise leaves these provisions of existing law unchanged.

The Senate amendment contained a number of provisions, which were not contained in the House bill, with respect to FHA title I insurance of home repair and improvement loans which are designed to prevent abuses that have occurred in this program. One of these provisions would place the lender in a position of coinsuror through limiting title I insurance coverage to reimbursement of only 80 percent of the loss on any individual loan. The conference substitute retains the principle of this provision but increases the FHA insurance coverage to 90 percent of the loss on any individual loan. The committee of conference is of the opinion that limiting the coverage of losses to 80 percent on any individual loan might prove too restrictive particularly to small lenders. At the same time an insurance coverage limited to 90 percent would still retain a measure of self interest on the part of the lender in each loan in an amount sufficient to induce more careful lending operations.

Other provisions added by the Senate amendment would (1) limit the granting of FHA title I insurance to supervised lenders approved by FHA, or to such other lenders as (on the basis of their credit and their experience and facilities to make and service this type of loan) FHA approved; (2) restrict items eligible for FHA title I insurance to those which substantially protect or improve basic livability or utility of the property; (3) write into law restrictive features of present FHA title I regulations with respect to dealer approval, maintenance of dealer file, 6-day waiting period prior to disbursement, and requirements with respect to completion certificates; (4) prevent use of FHA title I loans on new homes until completed and occupied for 6 months, and (5) prevent multiple FHA title I loans on the same structure with the aggregate balance in excess of the maximum statutory dollar limitation. The conference substitute retains these provisions of the Senate amendment with the exception of the provision which would write into law restrictive features of present FHA title I regulations. The committee of conference was of the opinion that allowing such restrictive provisions to be covered by regulation rather than on a statutory basis was desirable from the standpoint of administration of the insurance program.

The conference substitute also allows a reasonable time—the first day after the first full calendar month following the date of approval of the Housing Act of 1954—for the preparation, issuance, and printing of FHA rules, regulations, forms, and instructions and their distribution to lenders operating under the title I program throughout the country.

SALES HOUSING

FHA insurance of 1-to-4-family sales housing is authorized by section 203 of the National Housing Act. Both the House bill and the Senate amendment provided changes in existing law with respect to maximum ratios of loans to values and maximum mortgage amounts. The House bill provided for a ratio of loan to value of 95 percent on the first $10,000 plus 75 percent of the excess over $8,000 (actually this $8,000 figure should be $10,000 but, through inadvertence, was not included in the amendment to these provisions adopted by the House). The Senate amendment provided for a ratio of loan to value of 95 percent of the first $8,000 plus 75 percent of the balance in excess of $8,000. Maximum mortgage amounts were also limited to $20,000 in the case of a one- or two-family dwelling, $27,500 in the case of a three-family dwelling and $35,000 in the case of a four-family dwelling under the provisions of the House bill; the Senate amendment placed these limitations at $18,000, $24,000 and $30,000 respectively. The House bill made the new ratios of loans to values applicable to both new and existing dwellings. The Senate amendment limited its loan to value ratio provision to only new construction and on existing construction retained the existing maximum mortgage ratio of 80 percent of value. The House bill provided a maximum maturity of 30 years on mortgages of 1-to-4-family homes and made such maturity applicable to both existing and new homes. The Senate amendment provided a maximum maturity on mortgages for new homes of 30 years, and required that on existing homes the mortgage maturity be reduced from 30 years by one year for each of the first 10 years of age, so that an existing dwelling which was built 10 or more years ago could not be mortgaged for a term exceeding 20 years.

With respect to new housing the conference substitute provides for a ratio of loan to value of 95 percent of the first $9,000 of value and 75 percent of the excess over $9,000, and authorizes the President to increase the $9,000 amount up to not to exceed $10,000 if, after taking into consideration the general effect of such higher dollar amounts upon conditions in the building industry and upon the national economy, he determines such action to be in the public interest. The maximum dollar mortgage limitations are the same as those provided in the House bill.

With respect to existing housing the conference substitute provides for a loan to value ratio of 90 percent of the first $9,000 of value plus 75 percent of the balance in excess of $9,000. It likewise provides for Presidential authority to increase the $9,000 figure to $10,000, and the dollar mortgage maxima are the same as those applicable to new housing.

With respect to mortgage maturities the conference substitute provided a maximum maturity of 30 years or three-quarters of the FHA Commissioner's estimate of the remaining life of the building improvements, whichever is the lesser. The committee of conference has been informed that FHA presently requires that the mortgage maturity not exceed three-quarters of the remaining economic life of the house whether new or old. In writing this limitation into the statute the Committee of Conference desires to place this safeguard in the law to make it clear that houses, especially old houses, are not to be financed for a term which would increase the Government's risk as insurer of the mortgage.

Although in most cases "mortgaging-out" is not applicable to sales housing, it is a possibility under certain circumstances where the builder of sales housing might actually become the mortgagor of the property. This could happen only when the builder, having built the homes, was unable immediately to dispose of them and had to close out the mortgage in his own name, thus becoming the mortgagor. In order to provide an effective statutory safeguard in such cases the conference substitute contains a provision limiting the maximum loan to value ratio where the builder becomes the mortgagor to not to exceed 85 percent of the mortgage loan which an owner-occupant could obtain. It is the further understanding of the committee of conference that, in such cases where a builder is constructing FHA sales housing and becomes the mortgagor because of inability to sell his houses, the FHA limits such builder in further participation under its programs. The committee of conference desires that this procedure be continued not only to assure that sales housing is constructed for sales purposes, but also as an effective method to prevent misuse of the FHA insurance system.

FHA APPRAISALS OF LONG-TERM ECONOMIC VALUE

Historically, the fundamental soundness of the whole concept of the FHA home mortgage insurance system has rested on the integrity of its appraisal system as a measurement of the long-term economic value of a

given residential property to be underwritten with an insured mortgage loan. Basically, the FHA's appraisal system, as well as many of its other principal procedures (such as its property location standards, its minimum construction requirements, and its inspection system), are obviously essential to the proper underwriting of mortgage loan risks, and therefore operate primarily for the protection of the Government and its insurance funds. Nevertheless, the Congress has consistently recognized—and intended—that, notwithstanding the fact that technically there is no legal relationship between the FHA and the individual mortgagor, these FHA procedures also operate for the benefit and protection of the individual home buyer. However, there has apparently been a strong tendency on the part of the FHA to view these procedures as operating exclusively for the protection of the Government and its insurance funds. The committee of conference does not believe such a view to be consistent with the intent of the Congress in respect of the basic legislation relating to the FHA in the past, and, as to the future, desire to make it abundantly clear that such is not the case.

In this connection, the committee of conference calls attention to two specific provisions included in the conference substitute which clearly indicate the intent of the Congress that the protections of the FHA system shall also inure to the benefit of the individual home buyers. One is the provision which requires that the builder or seller of a new home built with the assistance of an FHA-insured or VA-guaranteed mortgage must deliver to the purchaser a warranty that the home is constructed in substantial conformity with the plans and specifications (including any amendments thereof which have been approved in writing) on which the FHA or VA valuation of such home was based. The other is the provision which requires that, the seller or builder or such other person as may be designated by the FHA Commissioner shall agree to deliver, prior to the execution of a contract for the sale of the property, to the purchaser a written statement setting forth the amount of the FHA's appraised value of the property.

The committee of conference desires to point out the importance it attaches to the latter provision, especially at this particular time, in protecting the individual home buyers. Generally speaking, an appraisal of the long-term economic value of a particular residential property represents the informed judgment of a professional technician as to the dollar amount which a well-informed purchaser, acting without duress or compulsion, would be warranted in paying for such property for long-term use or investment. To a large extent, this is determined by the price at which other properties, which are comparable as to location, type of construction, size and other amenities, are being freely sold in the open market. But, irrespective of market price, the upper limit for such an appraisal would always be the estimated reproduction cost of the property. Thus, appraisal of the long-term economic value as the basis for insurance of home mortgage loans by the FHA can have two important effects in terms of consumer protection.

First, by providing the new and more liberal mortgage insurance terms contained in the conference substitute, the Congress is seeking to benefit the individual families seeking to buy homes. The committee of conference desires to assure that these terms would not have an inflationary effect upon the going market prices for homes which might be reflected in upward pressure on prices which, in turn, might be reflected in FHA valuations. An appraisal system, such as FHA's based on long-term economic value would preclude valuations in excess of carefully estimated replacement costs as an upper limit in respect to new homes, and in excess of replacement cost, less deterioration, in respect to existing homes. Therefore, any temporary cost or price rise, attributable to the new and more liberal mortgage insurance provisions continued in the conference substitute or otherwise, should not be reflected in FHA valuations to the detriment of individual home buyers.

Second, in those cases where a reasonable and careful estimate of the costs required to reproduce a fully comparable residential property may, for one reason or another, be less than the current market price for such properties, the individual consumer would obtain the benefit thereof since the FHA's appraisal of the property at such lower figure would be available to him and the maximum approvable FHA loan would be based on the lower of the two figures.

LOW-COST SUBURBAN HOUSING

Under title I, section 8, of the National Housing Act, provision is made for FHA insurance of mortgages on low-cost housing located in suburban and outlying areas. The House bill contemplated the integration of this FHA insuring operation into the FHA section 203 program and the House report made clear that in integrating the programs, underwriting procedures should be adopted to continue FHA section 8 type of insurance. The Senate amendment provides statutory authority for continuance of the section 8 program through adding a new subsection (i) to section 203 of the National Housing Act. The Senate provision also provided for an increase in the maximum mortgage amount from the $5,700 of existing law to $6,650 for a owner-occupant mortgagor and from the $5,100 of existing law to $5,950 for a builder-mortgagor. The new mortgage limits represent 95 percent and 85 percent, respectively, of a home costing $7,000. The Senate amendment further provided that this section 8 type of insurance could be made available to an owner-occupant mortgagor regardless of his credit standing, provided a person or corporation with a credit standing satisfactory to the FHA guaranteed payment of the insured mortgage. In such cases, the guarantor might also loan the owner-occupant mortgagor part or all of the required down payment on a note maturing after the last maturity date of principal due on the insured mortgage. The Senate amendment also made this section 8 type of insurance available on a farm home on a plot of 5 or more acres adjacent to a public highway with maximum insurance authorization for such loans limited to $100,000,000 outstanding at any one time. The conference substitute retains these provisions of the Senate amendment.

It is the intention of the committee of conference that this special mortgage insurance for new low-cost housing be made available in rural and small suburban or outlying communities where the suspension of the regular FHA property location requirements (as distinguished from minimum construction standards) is not likely to be detrimental to the long-term value of the housing or the general standards of the community. It is not intended that this special mortgage insurance be used to assist the financing of housing in areas which, with the proposed new construction, will constitute built-up urban communities. In such areas, the regular mortgage insurance under section 203 is available for low-cost housing meeting the usual FHA construction and location standards.

TERMS OF FHA INSURANCE FUND DEBENTURES

The House bill contained a provision which would amend section 204 (d) of the National Housing Act so as to fix the term of debentures to be issued under sections 203 and 213 of the act at 10 years. The Senate amendment contained a provision further amending section 204 of the act so that any debentures issued under the act (other than debentures issued under section 221 (g) (3)) could be replaced under certain conditions with refunding debentures maturing within a further 10-year period, thus in effect permitting the FHA Commissioner to impose a 10-year extension on debenture maturities. The conference substitute places a straight 20-year maturity on all FHA debentures issued under the act other than debentures issued under section 221 (g) (3). However, the change in debenture term does not apply in any case where the mortgage involved was insured or the commitment for such insurance was issued prior to the effective date of the Housing Act of 1954.

The Senate amendment contained a provision which was not included in the House bill under which the interest rate on FHA debentures, relating to mortgages hereafter insured, would be set at the rate in effect at the time of insurance as established by the FHA Commissioner with the approval of the Secretary of the Treasury. Such rate could not exceed the rate determined by the Secretary of the Treasury by estimating average yield to maturity on comparable marketable obligations of the United States. The conference substitute contains this provision of the Senate amendment.

REHABILITATION AND NEIGHBORHOOD CONSERVATION HOUSING INSURANCE

Both the House bill and the Senate amendment provided for the addition of two new FHA insurance programs through the addition of new sections 220 and 221 to the National Housing Act. The new section 220 insuring authority would provide a mortgage insurance program to assist in the rehabilitation of existing dwellings and the construction of new dwellings in urban renewal areas. The new section 221 insuring authority would provide a mortgage insurance program to cover suitable housing for the relocation of people displaced as a result of Governmental action in a community which has a workable program for dealing effectively with slums and blight, including the prevention of the development and spread of slums and blight as well as the elimination thereof.

FHA section 220 insurance

With respect to the new section 220 insurance program the House bill provided that before it could become operative in a community the FHA Commissioner would have to determine that there exists a redevelopment or urban renewal plan applicable to the area in which the mortgaged property is to be located and he would have to determine that necessary legal and financial authority existed to carry out such plan. The Senate amendment provided that the insuring provisions could become operative upon the Housing and Home Finance Administrator certifying to the FHA Commissioner that he had made the findings required under the slum clearance and urban renewal program. Under the slum clearance and urban renewal program the Housing and Home Finance Administrator is required to find (1) that the governing body of the locality has approved a redevelopment or renewal plan (2) that such plan conforms to the general plan for the development of the locality as a whole and (3) that necessary legal authority and financial capacity exists to carry out such plan. The Senate provision avoids unnecessary duplication of functions between the Housing and Home Finance Administrator and the Federal Housing Commissioner with reference to making FHA section 220 insurance available in the community. The conference substitute contains this provision of the Senate amendment.

In both the House bill and the Senate amendment the mortgage limitations with respect to insurance for other than large scale rental projects were consistent with the mortgage limitations which the House and Senate had imposed on insurance provided under the 1-to-4-family housing sales programs covered by section 203 of the act.

As will be noted under the previous discussion of the provisions of the conference substitute with respect to sales housing, the conference substitute represents a compromise between the provisions of the House bill and the Senate amendment and accordingly the mortgage limitations for section 220 insurance on other than large scale rental projects were modified by the committee of conference to make them consistent with the section previously agreed upon with respect to section 203 mortgage limitations.

With respect to large scale rental projects insured under section 220, the only difference (other than technical corrections) between the provisions of the House bill and the Senate amendment was that the Senate amendment added an escalator clause to the stated mortgage limitations so that the FHA Commissioner might by regulation increase the mortgage limitations by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require. The conference substitute retains this provision of the Senate amendment.

FHA section 221 insurance

With respect to the new FHA section 221 insurance program the differences between the House bill and the Senate amendment are summarized in the following paragraphs.

Under the House bill provision was made that the number of units covered by the new FHA section 221 insurance could not exceed the number which the FHA Commissioner determines to be needed in a particular community for the relocation of families being displaced by governmental action. The Senate amendment provided that the Housing and Home Finance Administrator would determine the number of section 221 units needed and so certify to the FHA Commissioner. Since the Housing and Home Finance Administrator must determine relocation needs in connection with the slum clearance and urban renewal operation, the procedure provided by the Senate amendment would avoid duplication of the same work by the FHA Commissioner. The conference substitute contains this provision of the Senate amendment.

The House bill provided that the new FHA section 221 insurance could be made available in a community presently undertaking a slum clearance and urban redevelopment project without the community having to meet the new workable program requirement. The Senate amendment with respect to this provision made it clear that the FHA section 221 insurance to be made available in communities which presently have slum clearance projects would only be available for families displaced during the period that the project was being carried out and thereafter the community would have to meet the workable program requirement in order to have additional section 221 units in the community. The Senate amendment also contained a provision to make clear that the Housing and Home Finance Administrator does not have to certify dwelling units for section 221 insurance during any period when the locality fails to carry out the workable program upon which it had agreed. The conference substitute retains both of these provisions of the Senate amendment.

With respect to sales housing under the new FHA section 221 insurance program, the House bill provided that the mortgage could amount to 100 percent of the appraised value of a new or existing home provided that the owner and occupant of the property at the time of insurance made at least a $200 payment to cover settlement costs and miscellaneous charges. Under the Senate amendment mortgage limitations under the section 221 insurance program were set at not to exceed 95 percent of the appraised value on new homes and 90 percent on existing homes. The conference substitute retains these provisions of the Senate amendment with respect to mortgage limitations.

Under the provisions of the House bill a private nonprofit corporation providing rental accommodations for ten or more families eligible for occupancy could obtain FHA section 221 insurance for the rehabilitation of existing homes up to 100 percent of the Commissioner's estimate of the value of the property or project when repaired or rehabilitated. Under a provision of the Senate amendment a private nonprofit corporation providing rental accommodations for ten or more families could obtain only a 95 percent section 221 loan insurance coverage but the mortgage could cover the construction of new accommodations as well as cover the repair or rehabilitation of existing accommodations. The conference substitute retains these provisions of the Senate amendment.

Under the House bill, maximum maturities were set at 40 years for all section 221 mortgages. The Senate amendment prescribed 30 years for these maturities. The conference substitute prescribes 30 years or three-quarters of the Federal Housing Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser.

MORTGAGE INSURANCE FOR SERVICEMEN

The conference substitute retains the new section 222 of the National Housing Act, which was added by the Senate amendment. The House bill contained no comparable provision. Section 222 of the National Housing Act would establish a new FHA mortgage insurance program for housing for servicemen in the Armed Forces of the United States and their families. This program would assist in the provision of housing for members of the active Military Establishment, who are usually not eligible for the home-loan benefits of the Servicemen's Readjustment Act of 1944 because they have not become veterans. The latter act deals, of course, with the readjustment of veterans to civilian life, and is not intended to assist in providing housing for servicemen while they remain in service.

Before a serviceman would be entitled to the benefits of the new program, the Secretary of Defense (or his designee) would have to issue to him a certificate indicating that the serviceman requires housing, that he is serving on active duty in the Armed Forces of the United States, and that he has served on active duty for more than 2 years. The serviceman would be required either to occupy the property or to certify that his failure to do so is the result of his military assignment. A certificate would not be issued by the Secretary to any person ordered to active duty for training purposes only. The Secretary could issue a new certificate to a serviceman who has already had the benefits of mortgage insurance assistance under this section only if in his judgment the additional certificate is justified.

The Senate amendment provided that a serviceman who has had the benefits of mortgage insurance assistance under this section would not be eligible for home-loan benefits under the Servicemen's Readjustment Act of 1944, and that no person who has used his entitlement for home-loan benefits under that act would be eligible for the benefits of this section. The conference substitute removes these limitations, thereby permitting an individual to avail himself of both types of benefits if he is appropriately qualified.

The mortgages insured under the new section 222 would be subject to the same limits on amounts as mortgages insured under the regular section 203 sales housing program, with certain exceptions designed to provide more liberal treatment for servicemen. The Senate amendment provided that, in the discretion of the Federal Housing Commissioner, the maximum ratio of loan to value under section 222 could exceed the maximum prescribed in section 203, up to 95 percent of the appraised value of the property, and that the maximum dollar mortgage amount could be $14,250 (that is, 95 percent of $15,000). The conference substitute increases the maximum dollar mortgage amount to $17,100 (that is 95 percent of $18,000).

Premiums on the insurance would not be payable by the mortgagee while the serviceman owns the home, but would be paid yearly by the Secretary of Defense from appropriations for the pay and allowances of persons eligible for mortgage insurance under this section. The Secretary of Defense (or such person as may be designated by him) would certify to the Federal Housing Commissioner the termination of ownership of such home by a serviceman, and future premiums would be payable in the same manner as in the case of other mortgage insurance.

Payment of insurance to the mortgagee in event of default on these mortgages would be made in accordance with the same provisions as those which govern the payment of insurance on section 203 mortgages, except that such payments would be from a separate servicemen's mortgage insurance fund established for the purposes of section 222. The Senate amendment authorized an appropriation of $1,000,000 for such fund; the conference substitute changes this provision so as to provide for the transfer of $1,000,000 from the war housing insurance fund instead of a direct appropriation.

The benefits of this section would apply to servicemen in the United States Coast Guard and their families, except that the Secretary of the Treasury would perform the functions otherwise given to the Secretary of Defense.

SALE OF GOVERNMENT-OWNED HOUSING

Both the House bill and the Senate amendment contain provisions permitting 90 percent FHA insured mortgages to finance the sale of Government-owned housing. However, the Senate amendment contained a provision which would permit a 95 percent insured mortgage to finance the sale of such housing if the mortgagor was a veteran cooperative. The conference substitute retains this provision of the Senate amendment.

It was called to the attention of the committee of conference that in some instances the FHA after acquiring a property through operation of its mortgage insuring programs, had resold the property and taken back a purchase money mortgage at a rate of interest under the rate that currently existed on insured mortgages covering similar property. While this practice undoubtedly permits the FHA to obtain a higher price for the property sold than would otherwise be the case thus limiting losses or even allowing it to move into a profit position on its liquidation operations, at the same time it leaves FHA with a long term mortgage which, if sold, could only be sold at a loss due to the unrealistic interest rate. The committee of conference is of the opinion that in any such transactions in the future, the FHA should not take back purchase money mortgages in connection with the sale of acquired properties unless the interest rate on such purchase money mortgages is comparable to the current interest rates on insured mortgages on properties of similar type. The committee of conference is further of the opinion that in cases where the Housing and Home Finance Administrator disposes of property under his control and accepts a purchase money mortgage as part of the payment such a mortgage should carry an interest rate not less than the current interest rate applicable to FHA insured mortgages on similar properties.

OPEN-END MORTGAGES

Both the House bill and the Senate amendment contained provisions permitting FHA insurance of advances pursuant to an "open-end" provision in a FHA insured mortgage.

The Senate amendment, however, contained a provision which was not contained in the House bill which would limit such open-end advances to improvements and repairs which substantially protect or improve basic livability or utility of the property and to an amount which when added to the unpaid amount of the mortgage would not make the unpaid balance exceed the amount of the original mortgage. The conference substitute retains the Senate provisions with an amendment which would permit the amount of the advance when added to the unpaid amount of the mortgage to exceed the original principal obligation of the mortgage if the mortgagor certifies that the proceeds of the advance are to be used to finance the construction of additional rooms or other enclosed space as a part of the dwelling.

The Senate amendment contained a provision making the maximum veterans' home loan guaranty entitlement of $7,500 applicable to loans for repairs, alterations, and improvements (if they would substantially protect or improve the basic livability or utility of the property involved) as well as to loans for the purchase and construction of residential property. Under existing law (the so-called "veterans' open-end mortgage" provision) a veteran who has used his guaranty entitlement in acquiring a home can have additional entitlement for repair loans only if he has used less than $4,000 of his entitlement in acquiring the home. The House bill contained no corresponding provision, although in its original form it had included a similar provision which was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. The conference substitute contains the provision added by the Senate amendment.

FHA APPRAISAL AVAILABLE TO HOME BUYERS

The Senate amendment contained a provision which was not included in the House bill which would direct the FHA Commissioner to require the seller or builder of a one-or-two family residence to make available to the purchaser of a new home, prior to sale, a written statement setting forth the amount of the appraised value of the property as determined by the FHA. The conference substitute retains this provision of the Senate amendment but broadens it to include existing housing as well as new homes and to include also one-and-two family sales housing under the new servicemen's insurance program (sec. 222 of the National Housing Act), one-and-two family sales housing under the cooperative housing section (213) of the National Housing Act, and individual sale type defense housing (sec. 903 of the National Housing Act). The provision is not applicable in cases where a mortgage was insured or a commitment for insurance was issued prior to the effective date of the Housing Act of 1954.

BUILDERS COST CERTIFICATION

As noted in the opening paragraphs of this Statement of Managers, shortly after passage of the House bill disclosures were made of widespread "mortgaging out" operations under the former FHA 608 rental housing insurance program. The term "mortgaging out" means that the mortgagor was able to obtain a mortgage in an amount sufficient to equal or exceed the actual cost of the project including a normal allowance for builders profit. The Congress had recognized the possibility of such an operation as the 608 program developed and in increasing the title VI authorization in Public Law 384, 80th Congress, 1st session, approved December 27, 1947, provided that "Title VI of the National Housing Act, as amended, be employed to assist in maintaining a high volume of new residential construction without supporting unnecessary or artificial costs. In estimating necessary current cost for the purposes of said title, the FHA Commissioner shall therefore use every feasible means to assure that such estimates will approximate as closely as possible the actual cost of efficient building operations." Subsequently, continued rumors of "mortgaging out" operations led the Congress to impose builders costs certification provisions in the military housing insurance program (sec. 803) and in the rental housing section of the Defense Housing program (sec. 908). Following the disclosures of widespread "mortgaging out" operations under section 608, the Senate amendment included a provision, which was not contained in the House bill, which would require a builders cost certification with respect to all FHA mortgage insurance for new or rehabilitated multifamily and rental housing. This provision would require the builder to certify that the approved percentage of the actual cost (i. e., 80 percent under section 207, 90 percent or 95 percent under section 213, 90 percent under section 220, etc.) equaled or exceeded the proceeds of the mortgage loan or the amount by which the proceeds exceeded such approved percentage and to apply the amount of such excess to the reduction of the mortgage loan. In the computation of actual cost, the land value considered may not exceed the Commissioner's estimate of the fair market value of the land in the project prior to the construction of the improvements. There would be excluded from the computation of actual costs amounts representing any kickbacks, rebates, or trade discounts received in connection with the construction of the improvements. The conference substitute while essentially retaining this provision of the Senate amendment, makes clear that a reasonable allowance for builders profit may be included as part of the "actual cost" of a project in the case where the builder is also the mortgagor and desires to leave his profit in the corporation as equity.

NEW FHA POSITIONS

The Senate amendment contained a provision, which was not included in the House bill, which would authorize the establishment in FHA of 18 positions at grade GS–16 without regard to the civil service laws, in lieu of positions previously allocated in FHA under section 505 of the Classification Act. The committee of conference was of the opinion that allocation of all these positions at grade GS–16 would unnecessarily disrupt FHA administrative organization. Accordingly the conference substitute authorizes the FHA to establish one position in Grade GS–18, four positions in grade GS–17, and eight positions in grade GS–16, which would be subject to the civil service laws. Thus the positions would not be taken completely out from under the provisions of the civil service laws but would follow normal statutory procedures which permit such positions to be classified as schedule "C." This is consistent with the practice being followed by the Congress in establishing new positions in other agencies at these grades.

ADDITIONAL FHA PROVISIONS

The House bill contained a provision terminating the yield insurance program under title VII of the National Housing Act. The Senate amendment contained no comparable provision. The conference substitute retains the FHA title VII program.

Under existing law authority of the FHA to insure mortgages in connection with the defense housing program under title IX would expire August 1, 1954, except as to commitments issued prior to such date on loans to refinance existing insured loans. Under the House bill this authority would not be continued but the authority to insure as to commitments issued prior thereto was continued.

The Senate amendment gave the President standby authority to use title IX FHA mortgage insurance authority and the provisions of title III of the Defense Housing and Community Facilities and Services Act of 1951 for Federal aid in the provision of defense housing and community facilities and services in critical defense housing areas. The President under the Senate provision could designate periods after June 30, 1954, when either of these two programs could be used or he could designate a specific project or projects to be assisted by either of the two programs.

In addition the Housing and Home Finance Administrator would be authorized to enter into amendatory agreements after June 30, 1954, to provide additional Federal assistance with respect to defense community facilities undertaken on or before such date where he finds it necessary to do so to assure the completion of such facilities. Such amendatory agreements could not involve the expenditure of Federal funds in excess of those available on or before June 30, 1954.

The conference substitute conforms to the Senate amendment, but limits the President's standby authority to the period ending July 1, 1955.

The Senate amendment contained a provision requiring that each dwelling covered by a mortgage hereafter insured under section 903 of the National Housing Act be held for rental for at least 4 years. The House bill contained no comparable provision. The conference substitute conforms to the Senate amendment but reduces the period to three years.

The Senate amendment contained a provision making it a criminal offense to misuse "FHA" in advertising or firm or business names. The House bill contained no comparable provision. The conference substitute conforms to the Senate amendment on this point and also modifies section 709 of title 18 of the United States Code, which contains this provision, so as to prohibit similar misuse of the words "Housing and Home Finance Agency," "Federal Housing Administration," and "Federal National Mortgage Association."

Section 709 also prohibits the false advertisement or representation that any project, business, or product has been in any way endorsed, authorized, or approved by the agencies named above or the Government of the United States or any agency thereof. The conference agreement applies this prohibition to any false advertisement or representation that any housing unit, project, business, or product has been in any way endorsed, authorized, inspected, appraised, or approved, as above provided.

The Senate amendment added a new section to the National Housing Act to authorize the Federal Housing Commissioner to refuse the benefits (either directly or indirectly) of participation in FHA insurance programs to persons or firms who knowingly and willfully violate the National Housing Act or the loan guarantee title of the Servicemen's Readjustment Act of 1944 or the regulations promulgated under either of those acts. Such benefits could also be refused if the Commissioner determines that there has been a violation of Federal or State penal statutes in connection with programs under either of the two acts or that there has been material failure to carry out contractual obligations with respect to the completion of construction or repairs financed with assistance under either of the two acts. Persons or firms proposed to be denied such benefits would be afforded an opportunity for hearing and to be represented by counsel. These provisions would be applied not only to insured lenders and borrowers, but to builders, contractors, dealers, salesmen, or agents for a builder, contractor, or dealer. The House bill contains no comparable provision. The conference substitute retains the Senate provision with amendments making it clear that it applies to all the insurance titles of the act and with clarifying changes.

PROHIBITION AGAINST USE OF FHA-INSURED HOUSING FOR TRANSIENT OR HOTEL PURPOSES

The House report accompanying the House bill clearly expressed the intent of the House Banking and Currency Committee that FHA insured rental properties were never intended to be used to provide hotel accommodations and directed the FHA to take all appropriate action possible to prevent such use of FHA insured rental projects. The Senate amendment includes specific provisions relating to this problem. These provisions (1) declare that it has been the intention of Congress since enactment of the National Housing Act that housing covered by mortgage insurance is not to be used for hotel or transient purposes while insurance remains outstanding; (2) prohibit any new, existing, or rehabilitated multifamily housing from being rented for a period of less than 30 days, or operated in a manner as to offer hotel services, while such housing has mortgage insurance; (3) prohibit future mortgage insurance on multifamily housing unless mortgagor certifies under oath that as long as insurance is outstanding no part of the housing will be rented for a period of less than 30 days, and no hotel services will be offered; (4) direct the FHA Commissioner to enforce restrictions on hotel use of such properties whether insurance was issued prior or after the enactment of the Housing Act of 1954 but provides that criminal penalties shall not be retroactive; and (5) require the FHA Commissioner to investigate in 15 days any written complaint that a building is being rented or operated in violation of any provision of the National Housing Act or regulation thereunder and, if a violation is found, to order it to cease. If the alleged violation did not cease, the FHA Commissioner would be required to refer the case to the Department of Justice in 15 days for criminal prosecution. Also, in that time, the Commissioner would be required to start injunction proceedings in Federal district court. If the FHA Commissioner did not start such action in that time, any individual could bring the action in the name of the United States. The district courts of the United States would be given jurisdiction over such cases.

The conference substitute follows the Senate provisions, modified as follows:

1. Provides that multifamily housing shall not be used for transient or hotel purposes unless (a) by May 28, 1954, the FHA Commissioner had agreed in writing to rental of specified number of units for such purposes, or (b) the FHA Commissioner finds that the project is in a resort area and that prior to May 28, 1954, a specified number of the accommodations were used for transient or hotel purposes.

2. No multifamily mortgage to be insured by FHA hereafter, except under outstanding commitment, and no mortgage to be insured for an additional term, unless (a) mortgagor certifies under oath the property will not be used while insurance remains outstanding for transient or hotel purposes, and (b) the FHA Commissioner has contracted with or bought stock of mortgagor needed to enforce compliance while mortgage insurance remains in effect.

3. (a) The FHA Commissioner must define "transient or hotel purposes," but rental for less than 30 days shall in any event constitute rental for such purposes.

(b) "Multifamily housing" is defined to include property held by a mortgagor on which 5 or more single-family dwellings are located, or a two-, three-, or four-family dwelling is located, or rental-type housing is insured under sections 207, 213, 220, 221, 608, title VII, 803, and 908.

4. On written complaint, the FHA Commissioner must investigate and order violation, if found to exist, to cease. If such violation does not cease, the FHA Commissioner must send complaint to Attorney General for appropriate civil or criminal action.

5. A hotel owner, or operator, or association, within 50 miles radius of place of violation, at their own expense may apply for injunctive relief against violations upon showing cause for the issuance of such injunction.

SLUM CLEARANCE AND URBAN RENEWAL

The Senate amendment added to the House bill a provision prohibiting the delegation or transfer, to any official except a person serving as Acting Administrator, of certain final authorities vested in the Housing Administrator in connection with the slum clearance and urban renewal program. Under this provision, the Administrator could not delegate or transfer his authority (1) to determine whether the workable program provided for under section 101 (c) of the Housing Act of 1949 (compliance with which is a condition precedent to slum clearance and urban renewal assistance and to FHA assistance under section 220 or section 221 of the National Housing Act) meets the requirements of such section; (2) to make the certification that Federal assistance of the types enumerated in such section 101 (c) may be made available in a community; (3) to make the certifications with respect to the maximum number of dwelling units needed for the relocation of families who are to be displaced as a result of governmental action in a community and who would be eligible to rent or purchase dwelling accommodations in properties covered by mortgage insurance under the section 221 program; or (4) to determine whether the relocation program (which by law must be submitted to the local public agency) for the rehousing of families to be displaced by a slum clearance and urban renewal project meets the requirements of section 105 (c) of the Housing Act of 1949. The conference substitute includes the provision added by the Senate amendment.

The Senate amendment added to the House bill a provision that no contract may be made for advances of funds to local public agencies for surveys and plans for urban renewal projects unless the governing body of the locality involved has approved (by resolution or ordinance) the undertaking of the surveys and plans and the submission by the local public agency of an application for the advance of funds, thus assuring that the approval of the local governing body of the locality concerned will be obtained before any financial assistance contracts are executed. A related provision in the House bill required the governing body of the locality concerned to make the determination that an urban renewal area is blighted or deteriorated, and to designate such area as appropriate for an urban renewal project, before any contract could be made for advances of funds to the local public agency for surveys and plans in preparation of the project. The Senate amendment deleted this provision in the House bill (and substituted the provision described above) on the ground that, as a practical matter, the governing body of the locality would not have the necessary data to support such a determination until after the survey and planning stage, and on the further ground that any redevelopment plan in connection with a project must be approved by the governing body of the locality before any monies could be disbursed under a loan and grant contract. The conference substitute follows the Senate provision.

The House bill contained a provision which would have had the effect of permitting grants for urban renewal projects to be paid in connection with projects consisting of open land which is arresting the sound growth of a community, even though the land is not being redeveloped for predominantly residential purposes. The Senate amendment deleted this provision of the House bill, thereby in effect continuing the requirements of existing law. (Under existing law, capital grants may not be paid in connection with any open land project, and an open land project is not eligible even for loan assistance unless it is to be developed for predominantly residential use and is necessary to the effective carrying out of a local slum-clearance program already undertaken or specifically contemplated.) The conference substitute retains the Senate provision.

The House bill provided that mortgages and others who acquire property in an urban renewal area as a result of foreclosure need not comply with the obligation imposed upon other purchasers (1) to begin construction of improvements within a specified time, and (2) to comply with such other conditions as the Housing Administrator finds (prior to the execution of the contract for loan or capital grant) are necessary to carry out the purposes of the urban renewal project. The Senate amendment eliminated the exemption granted by the House bill from the second of these two obligations, thus permitting the Administrator to make appropriate conditions applicable to those who acquire property as a result of foreclosure as well as to other purchasers. The conference substitute retains the Senate provision.

The House bill changed the requirements established for a project in existing law and substituted provisions establishing as the general criteria of eligibility for an urban renewal project the achievement of "sound community objectives for the establishment and preservation of well-planned residential neighborhoods." Under existing law loans and capital grants may be made available for clearing a slum or blighted residential area, whether it is to be redeveloped for residential use or for commercial or industrial use or for a combination of such uses; but if the area is not already predominantly residential in character, such financial assistance may be made available only if it is to be redeveloped for predominantly residential uses. The Senate amendment deleted the House provisions and reinstated existing law by prohibiting loans and capital grants for projects involving slum clearance and redevelopment of areas not clearly predominantly residential in character unless such redevelopment is for predominantly residential uses; except that if an area contains a substantial number of slums, or blighted, deteriorated, or deteriorating dwelling, or other living accommodations, the elimination of which would tend to promote the public health, safety, and welfare in the locality, and such area is not appropriate for redevelopment for predominantly residential uses, the Administrator may extend financial assistance for such a project in that area, but the aggregate of the capital grants made with respect to such projects cannot exceed 10 percent of the total amount of capital grants authorized by title I of the Housing Act of 1949. The conference substitute follows the Senate amendment.

The House bill contained a provision which would exclude from local grants-in-aid for an urban renewal project any revenue-producing public facilities the capital cost of which is financed by service charges or special assessments. The Senate amendment did not include that provision. The conference report includes a provision which would exclude from such local grants-in-aid only those revenue-producing public utilities where the capital cost is wholly financed with local bonds and obligations payable solely out of revenues derived from service charges. The provision would not apply to utilities where the capital cost is partly financed from tax revenues or from any source other than revenue bonds. However, the provision would be broadened to cover public facilities financed by special assessments against land in the project area.

The House bill contained a provision increasing from $2,000 to $3,000 the maximum amount of any unsecured home repair and modernization loan, not insured under the FHA title I program, made by a savings and loan association in the District of Columbia. The Senate amendment provided for a lesser increase, from $2,000 to $2,500. The conference substitute follows the Senate amendment.

The House bill provided that the District Commissioners and "the other appropriate agencies operating within the District of Columbia" shall have the same rights and powers with respect to the new type "urban renewal" projects as they now have with respect to redevelopment projects. The Senate amendment adds a provision specifically designating the National Capital Planning Commission as one of the "appropriate agencies operating within the District of Columbia" for this purpose. The conference substitute contains the new language added by the Senate amendment.

The House bill provided that the "workable program" for urban renewal in the District of Columbia shall be prepared by the District of Columbia Redevelopment Land Agency with the approval of the District Commissioners. The Senate amendment provided that such workable program should be prepared by the District Commissioners, with the participation of the Redevelopment Land Agency and other agencies of the District, if requested by the Commissioners. The Senate amendment also contained a provision making it clear that any appropriations required for the preparation of the workable program for the District of Columbia shall be requested by the District Commissioners rather than by the Redevelopment Land Agency. The conference substitute retains the provisions of the Senate amendment.

The committee of conference has noted the statement of the Senate Committee on Banking and Currency, in its report accompanying the bill (Report No. 1472, at pp. 40 and 41) with respect to the coordinated administration of the undertakings authorized by the bill to enable cities to attack effectively the entire problem of urban slums and blight. The committee of conference is fully in accord with that statement and expects the Housing and Home Finance Administrator to apply firmly the unified direction to such undertakings as instructed by the Senate committee.

SECONDARY MORTGAGE MARKET

The House bill contained provisions providing for the rechartering of the Federal National Mortgage Association. The rechartered FNMA would have three principal functions, namely, (1) to provide assistance to the secondary market for FHA-insured and VA-guaranteed home mortgages in order to furnish additional liquidity for mortgage investments and thereby improve the distribution of mortgage investment funds; (2) to provide Government assistance for certain types of these mortgages, or for mortgages generally if necessary to retard or stop a decline in home building activities which threatens the stability of a high level national economy; and (3) to manage and liquidate in an orderly manner the mortgages held in the portfolio of the present FNMA. Provision was made so that the Government investment in FNMA would gradually be replaced by private investment funds and provision was also made to enable FNMA to replace an important part of its borrowings from the Government with borrowings from the private investment market.

The Senate amendment struck the provisions from the House bill relating to the rechartering of FNMA but provided that the authority of the present FNMA to make advance commitments to purchase FHA title VIII military housing mortgages be extended for one year to July 1, 1955, and also granted FNMA authority to make advance commitments to purchase FHA-insured or VA-guaranteed mortgages covering property in Guam in an aggregate amount not exceeding $15,000,000. The conference substitute retains the provisions of the House bill with respect to the rechartering of FNMA except in the following respects: (1) the users of the rechartered FNMA will receive common stock for their capital contributions in place of the convertible certificates (convertible into common stock upon retirement of Treasury stock) that had been provided for in the House bill; (2) the Treasury will receive preferred stock for its investment in place of common stock, and dividends could be paid on both the preferred and common stock out of available earnings; and (3) a formula is provided for the equitable distribution between the Secretary of the Treasury and the private stockholders of the FNMA general surplus and reserves at the time that the last of the Government's stock is retired.

VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

Both the House bill and the Senate amendment contain provisions, which are essentially similar, under which there would be established a voluntary home mortgage credit program under which private financing institutions in an organized manner would undertake to make VA and FHA home mortgage credit available where needed. However, the Senate amendment, as does the conference substitute, strengthens the declaration of policy with respect to the voluntary home mortgage credit program and provides that the development of the program shall be consonant with sound underwriting policies. The conference substitute also provides, as did the Senate amendment, that a representative of the Home Loan Bank Board shall serve as an advisory member of the National Voluntary Mortgage Credit Extension Committee and that the Housing and Home Finance Administrator may act through and utilize the services of the Federal Home Loan Banks in providing regional subcommittees under this program with suitable offices and meeting places and staff assistance.

Under the provisions of the House bill, the definition of "private financing institutions" included life-insurance companies, savings banks, commercial banks, cooperative banks, homestead associations, building and loan associations, and savings and loan associations. Such definition as contained in the Senate amendment omitted homestead associations and building and loan associations but added mortgage banks. The conference substitute provides that the definition of "private financing institutions" includes life-insurance companies, savings banks, commercial banks, savings and loan associations (including cooperative banks, homestead associations, and building and loan associations), and mortgage companies.

The House bill contained a provision which would exempt members of the National Voluntary Mortgage Credit Extension Committee and regional subcommittees from the "conflict of interest" statutes applicable to Government officers and employees. This provision was stricken by the Senate amendment. The conference substitute contains a provision making clear that service as a member of the National Voluntary Mortgage Credit Extension Committee or regional subcommittees will not be construed as holding any office or employment of the Government of the United States and thus resolves any question that might otherwise arise as to the application of the "conflict of interest" of statutes.

LOW-RENT PUBLIC HOUSING

The Senate amendment contained a provision in effect repealing the provisos in the Independent Offices Appropriation Acts of 1953 and 1954 which presently limit public housing starts and prohibit the Public Housing Administration from entering into any new contracts or other arrangements for additional public housing units or projects (except with respect to those now authorized), thus restoring the provisions of the basic substantive legislation. The same provision of the Senate amendment limited annual contributions contracts for new public housing units to 35,000 units during each of the calendar years 1954, 1955, and 1956, and limited the authority to authorize the commencement of construction to 35,000 units during each of the fiscal years 1955, 1956, 1957, and 1958. The program contemplated by the Senate amendment thus would provide for the construction of 140,000 additional public housing units over a four-year period. The House bill contained no provision for additional public housing, in effect terminating the public housing program after the completion of the approximately 33,000 units still authorized under existing law.

Under the conference substitute the Public Housing Administration is authorized to enter into new contracts, agreements, or other arrangements during the fiscal year 1955 for loans and annual contributions with respect to not more than 35,000 additional public housing units. The new contracts, agreements, and other arrangements can be entered into only with respect to low-rent housing projects which are to be undertaken in communities where a slum clearance and urban redevelopment or urban renewal project is being carried out with assistance under title I of the Housing Act of 1949, as amended, and only if the local governing body of the community undertaking the project certifies that the low-rent housing project is needed to assist in meeting the relocation requirements of section 105 (c) of that Act by providing housing for persons displaced by the slum clearance operations.

The total number of dwelling units which may be contained in any low-rent housing project provided for under these new contracts, agreements, or other arrangements is further limited by the requirement, contained in the conference substitute, that it may not exceed the number of such units which the Administrator determines are needed for the relocation of families displaced as a result of Federal, State, or local governmental action in the community. It should be noted, however, that although the existence of a slum clearance and urban redevelopment or urban renewal project, in the community is a prerequisite to making any new contracts, agreements, or other arrangements for a low-rent housing project, the displacement of families as a result of governmental action other than slum clearance may be taken into consideration in determining the number of dwelling units which may be included in the project.

The net result of the conference substitute is to limit the extension of the public housing program to one additional year and 35,000 additional units, to restrict the authorization of the additional units to communities which have slum clearance and urban redevelopment or urban renewal programs and which require housing for the relocation of persons displaced by those programs, and to limit the number of dwelling units in such projects to the number required for the relocation of persons displaced by governmental action of all types.

The House bill contained a provision requiring owners of all Federally-assisted housing to agree to require from each prospective occupant or purchaser a certificate that he is not a member of any organization designated as subversive by the Attorney General. The Senate amendment eliminated this provision and repealed certain riders in recent appropriation acts which applied similar requirements to low-rent public housing, and substituted a provision requiring all tenants of low-rent pub-

lic housing to be citizens of the United States or to have made application for citizenship, except in the case of families of servicemen and veterans. The conference substitute does not contain either provision.

The Senate amendment added to the House bill a provision requiring that payments of annual contributions for low-rent public housing shall be subject to audit and final settlement by the General Accounting Office in accordance with regular procedures. The conference substitute retains the provision added by the Senate amendment.

The House bill contained a provision providing that, where a public housing project is to be liquidated pursuant to the expressed desire of the community, the project may be sold upon the agreement of the community to pay its outstanding obligations, and the Federal Government's share of the proceeds from the sale shall be covered into miscellaneous receipts. The Senate amendment changed this provision to require that the project may be sold only upon the payment and retirement of all its outstanding obligations and that the Federal Government's share of the proceeds shall be paid to the Public Housing Administration and the local public bodies which have contributed to the project. The conference substitute follows the Senate amendment.

HOME LOAN BANK BOARD

The amendments made in title V of the House bill and those contained in title V of the conference substitute differ in the following material respects—

(1) The House bill contained no amendment to section 407 of the National Housing Act relating to termination of insurance of an institution insured by the Federal Savings and Loan Insurance Corporation. The Senate amendment authorized the termination of the insured status of an institution for continuing unsafe or unsound practices in conducting its business. The conference substitute adopted the Senate amendment with changes designed to assure that the amendment would not impair the supervisory authority of State and local bodies over insured institutions other than Federal savings and loan associations. The local supervisory authority would be given an opportunity to attempt to secure a correction of the unsafe or unsound practice before further action is taken by the Home Loan Bank Board to terminate the insured status of the institution. It would make the action of the Board subject to court review as in the case of the House bill relating to the appointment of conservators and receivers for Federal savings and loan associations. The authority which would be granted by this provision is similar to the authority which the Federal Deposit Insurance Corporation now has with respect to institutions having accounts insured by it.

(2) The House bill contained an amendment to title IV of the National Housing Act changing the name of the Federal Savings and Loan Insurance Corporation to "Federal Savings Insurance Corporation." The Senate amendment struck out the House provision. The conference substitute follows the Senate provision.

(3) The House bill increases from $1,500 to $3,000 the maximum amount of an unsecured loan in which a Federal savings and loan association may invest. The Senate amendment increased such amount to $2,500. The conference substitute adopts the Senate provision.

URBAN PLANNING AND RESERVE OF PLANNED PUBLIC WORKS

The House bill authorized the Administrator to make advances to public agencies to aid in financing the costs of the preliminary planning of public works programs, in order to encourage the maintenance by municipalities and other public agencies of a continuing and adequate reserve of planned public works and to attain maximum economy and efficiency in public works planning and construction. The Senate amendment added to the House bill a provision requiring that a public agency applying for such an advance of funds must, before any Federal funds can be made available to it for such preliminary planning, establish a separate planning account in which all Federal and local funds required for plan preparation would be placed. The conference substitute includes the provision added by the Senate amendment.

BUILDER'S WARRANTY

The House bill contained a provision requiring the seller or builder of a new one- or two-family house which has a mortgage insured or guaranteed by the FHA or VA to become a warrantor that the dwelling was constructed in substantial conformity with the plans and specifications (including any amendment) on which the FHA or VA based its valuation.

The Senate amendment followed the language of the House bill with the following exceptions:

(1) The language of the House bill requiring a "warranty" of "substantial conformity" with plans and specifications was changed to a "certificate" of "conformity" with plans and specifications in the Senate amendment. The conference substitute adopts the House language.

(2) The House bill limited the warranty to single and two-family residences. The Senate amendment extended it to three- and four-family residences. The conference substitute adopts the language of the Senate amendment, and thus the warranty will be required for all new sale housing under the FHA and VA programs.

The provisions of the conference substitute which would direct the Federal Housing Commissioner and the Administrator of Veterans' Affairs to require that the builder or seller of a new home built with the assistance of an FHA-insured or VA-guaranteed mortgage deliver to the purchaser or owner a warranty that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments thereof which have been approved in writing) on which the FHA or VA valuation of such dwelling was based, are not self-executing provisions which in themselves establish or affect the legal rights of the parties. Such rights are established and governed by the laws of the particular State. The Federal Housing Commissioner and Administrator of Veterans' Affairs must require the builder or seller to enter into such agreement or take such other action as necessary under applicable State law to make the builder or seller obligated to the purchaser or owner in accordance with the provisions of the act. It is the expectation of the committee of conference that, for this purpose, the builder or seller will therefore be required to certify that there were included in the sales contract, or other agreement prescribed by regulation, provisions warranting that the dwelling was constructed in substantial conformity with the approved plans and specifications, which provisions will survive the settlement of title, the delivery of possession of the property, or other final settlement between the builder or seller and the purchaser or owner.

PUBLIC AGENCY LOANS

The Senate amendment added to the House bill a provision amending the Reconstruction Finance Corporation Liquidation Act so as to place in the Housing and Home Finance Administrator the power to make loans to public agencies for public projects. In addition, this provision appropriated $50,000,000 to a revolving fund to be established from which advances for such loans were to be made to the Administrator, and extended the termination date of the public agency loan program for an additional two years.

The Senate amendment also contained a provision granting succession to the Reconstruction Finance Corporation until it is dissolved pursuant to law, rather than only until June 30, 1954, as provided in existing law. Under existing law, the Corporation will be dissolved when the Secretary of the Treasury finds that all its legal obligations have been provided for and its continuance is no longer in the public interest; the provision added by the Senate amendment would permit the Corporation to continue to handle litigation on its behalf until it is dissolved, thus avoiding confusion and expense.

The conference substitute includes the provisions added by the Senate amendment with the following changes:

(1) The sum of $50,000,000 is authorized to be appropriated to the revolving fund to be established from which advances may be made to the Administrator for the purpose of making loans to public agencies and for all necessary expenses in connection therewith, including administrative expenses.

(2) The public agency loan program is to be terminated on June 30, 1956;

(3) The provisions relating to the termination of succession of the Reconstruction Finance Corporation are omitted since they are contained in Public Law 438, approved June 29, 1954.

DISPOSITION OF CERTAIN GOVERNMENT HOUSING

The Senate amendment added to the House bill several provisions relating to the disposition of certain Lanham Act Housing, some of which were acted upon in separate bills by the House. The first of these would authorize the Administrator to acquire, by purchase or condemnation, certain lands in which he holds a leasehold interest, in order to expedite the disposal or removal of temporary housing (particularly in Richmond, California) located on such lands. The second would permit the disposal of war housing without regard to the applicable veterans' preference in certain unusual cases where (for any one of several specified reasons) the allowance of such preference would not accomplish the real intent and purpose of the veterans' preference provisions. The third would authorize the Administrator to convey certain demountable housing (not including land) in the San Diego area, without consideration, to (or in trust for) Indian tribes in Riverside and San Diego Counties in California, if the Secretary of the Interior certifies that such housing is needed to provide dwellings for the Indians. The fourth would authorize and direct the Administrator to sell to the University of California, at fair market value, two projects known as Canyon Crest Homes in Riverside County, Calif. The fifth would authorize the Administrator to sell to the Wethersfield Housing Authority (Connecticut), at fair market value, two projects known as Westfield Heights and Drum Hill Park in Hartford County, Conn., to be used by such Authority in providing moderate rental housing. The conference substitute includes the provisions added by the Senate amendment with two amendments to the so-called Richmond, California provision, one corrective in nature and the other that would prohibit any official or employee of the city from having any financial interest directly or indirectly in the purchase or redevelopment of any land that may be sold by the Federal Government to the city or its redevelopment agency. The conference substitute also contains a provision which would authorize the conveyance of a 156 unit temporary housing project to the Housing Authority of St. Louis County, Mo., and a provision permitting

the sale to the University of South Carolina of a 74-unit public housing project in Columbia, S. C., at fair market value and the use of the proceeds of such sale and the annual contributions now contracted for with respect to that project to be used for the development and operation of a project to replace the project thus sold.

DISPOSITION OF DEFENSE HOUSING

The Senate amendment added to the House bill a provision requiring that temporary housing which was constructed or acquired under the Defense Housing and Community Facilities and Services Act of 1951, and which is no longer needed for defense purposes (unless transferred to the Department of Defense or the General Services Administration under present law), shall be sold as soon as practicable to the highest responsible bidder (or, if any of the bidders are veterans purchasing dwelling units for their own occupancy, to the highest responsible bidder who is a veteran) after public advertising, or may be sold at fair market value to a public body for public use; such housing would be sold for removal from the site unless the governing body of the locality has approved the use of such housing on the site. The conference substitute includes the provision added by the Senate amendment, along with a further provision permitting the rejection of any bid for any housing being sold if such bid is less than two-thirds of the appraised value of such housing.

ADVISORY COMMITTEES

The Senate amendment added to the House bill a provision authorizing the Administrator and the heads of the constituent agencies of the Housing and Home Finance Agency to establish advisory committees to assist them in carrying out their functions, powers, and duties. Under present law (the Housing Act of 1949) only the Administrator has this authority. The conference substitute includes the provision added by the Senate amendment.

TECHNICAL PROVISION

The Senate amendment added to the House bill a provision amending the so-called School Construction Act to authorize Federal agencies to pay local educational agencies (for repairs or reconstruction) insurance receipts covering damage to or destruction of school facilities by fire or other casualty after such facilities have become eligible for transfer to the local agency but before the transfer has been completed; this authorization would, however, be limited to insurance receipts which are payable as a result of premiums paid by the local agencies. The conference substitute includes the provision added by the Senate amendment with a further amendment to correct the provision in title IV of the Housing Act of 1950 relating to the rate of interest on loans to institutions of higher learning for student and faculty housing. Under existing law, the rate must be determined on the basis of the going Federal rate, as defined in the law, which is applicable at the time the loan is executed. This rate frequently changes between the time the loan is first approved by the Housing Administrator and the time loan documents are prepared and ready for execution thus disrupting normal processing by the Housing Agency and changing the plans of the borrower with respect to the proposed project. The amendment agreed to by the conferees would provide for the interest rate on these loans to be determined on the basis of the going Federal rate in effect at the time the loan is approved by the Housing Administrator.

CONTROL OF LENDERS' CHARGES AND FEES

The Senate amendment added to the House bill a provision repealing section 504 of the Housing Act of 1950, which directed the Federal Housing Commissioner and the Administrator of Veterans' Affairs to limit and control the fees and charges imposed by lenders upon builders and purchasers in connection with mortgages and home loans. A similar provision in the House bill was eliminated when title II of the reported bill (relating primarily to mortgage interest rates and terms) was stricken out on the floor of the House. Section 504 of the Housing Act of 1950 is no longer needed, since adequate authority for the control of these fees and charges is otherwise available. The conference substitute includes the provision added by the Senate amendment. This is intended in no way to remove any protection afforded to veterans and other purchasers against excessive fees and charges in connection with VA and FHA home loans. The VA and FHA will continue to have adequate authority under other provisions of law to control fees and charges paid by purchasers in connection with the initiation of such loans and the disbursement of loan proceeds, and it is the intention of the committee of conference that those agencies will continue to exercise their authority to protect veterans and other purchasers against excessive fees and charges.

RECORDS

The Senate amendment added to the House bill a provision designed to insure that adequate records are kept by persons and local public bodies benefiting by participation in certain programs under the jurisdiction of the Housing and Home Finance Agency or its constituent agencies. The conference substitute retains, with some changes, the provision added by the Senate amendment. Under the conference substitute every contract between the Agency (or any official or constituent thereof) and any person or local body (including a corporation or a public or private agency or body) for assistance under the United States Housing Act of 1937 or the Housing Act of 1949 must require that person or local body to keep such records as the Agency (or such official or constituent) shall from time to time prescribe, including records disclosing the amount and disposition of the proceeds of any loan, advance, grant, contribution, or supplement thereto, the capital cost of any construction project for which the assistance is made available, and the amount of any private or other non-Federal funds used or grants-in-aid made for or in connection with any such project. In addition, a mortgage covering new or rehabilitated multifamily housing (as defined in section 227 of the National Housing Act) could not be insured unless the mortgagor certifies that he will keep the records prescribed by the Commissioner. All such records shall be kept in such form as to permit a speedy and effective audit, and the Agency (or any official or constituent thereof) would have access to such records and the right to examine and audit them.

APPLICANTS FOR ASSISTANCE REQUIRED TO SUBMIT SPECIFICATIONS

The Senate amendment added to the House bill a provision requiring applicants for housing assistance to submit full specifications with respect to the proposed construction or acquisition of land. The conference substitute retains, with some changes, the provision added by the Senate amendment. Under the conference substitute, every contract for a loan, grant, or contribution under the United States Housing Act of 1937 or title I of the Housing Act of 1949 must require the submission of specifications with respect to the construction of a project prior to the authorization for the award of the construction contract, and must also require the submission of data with respect to the acquisition of land prior to the authorization to acquire such land.

PUBLIC HOUSING AUDITS

The Senate amendment added to the House bill a provision designed to assure that the appropriate officials of the Federal Government will be able to audit and examine certain records which are pertinent to operations under the United States Housing Act of 1937. The conference substitute retains, with some changes, the provisions added by the Senate amendment. Under the conference substitute, every contract for loans or annual contributions under the United States Housing Act of 1937 must provide that the Public Housing Commissioner and the Comptroller General (or any of their duly authorized representatives) shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency entering into the contract which are pertinent to its operations with respect to financial assistance under that Act.

REPORT TO CONGRESS OF INFORMATION ON HOUSING

The Senate amendment added to the House bill a provision relating to the reporting of certain housing information to the Congress. The conference substitute retains, with some changes, the provision added by the Senate amendment. The conference substitute specifically provides that the annual report of the Housing and Home Finance Administrator (provided for by sec. 802 of the conference substitute) shall contain pertinent information with respect to all projects for which any loan, contribution, or grant has been made by the Agency, including the amount of any loans, contributions, and grants contracted for. Such report would also contain pertinent information with respect to all builders' cost certifications required by section 227 of the National Housing Act, including information as to the amounts paid by mortgagors toward the reduction of the principal obligations of mortgages under that section.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, the conferees on this bill were conscious, in the discussion of the many points at variance between the Senate and the House, of the tremendous interest of this bill both to Members of the Congress and to the public at large. I think in the beginning we should have in mind that almost all important legislation is a matter of compromise. I want to make the general statement that when the bill was before the House I believe I made the statement that it contained about 99 percent of the President's housing program. Since then an investigation has been made of certain irregularities in certain of the constituent agencies of the Housing and Home Finance Agency, so the conferees were confronted with many problems, most of which had to do with writing a bill which would, in the first instance, encourage the construction of homes. And, I might say parenthetically that the conference report which is before us is estimated to make it possible to build somewhere between 1,250,000 and 1,400,000 homes each year. But, being confronted with these irregularities which were brought out by the investigation, the House made a great many concessions, all with the idea that we would tighten up the procedures in such a manner that the probabilities of recurrence of these irregularities would be reduced to a minimum. That has been our objective. I think we have

been successful. The tightening up of the procedures, as we all well recognize, could not be spelled out to the last detail in legislation. We had to leave many of them to regulations, and a broad provision in the conference report is to the effect that wherein we have not spelled out these safeguards in the legislation, generally speaking the administration may, by regulation, supplement the legislation with that objective in mind.

I know that many Members of Congress are more interested in public housing than in any other feature of the bill. However, public housing, although an important part of the bill, is recognized by those who have studied this problem throughout the years to have become a symbol perhaps; but that in respect to the number of houses which would be constructed under the bill, it did not take on the significance that many Members of Congress and many people in the Nation attributed to it.

I shall try to cover some of the highlights of the conference report in the brief time permitted me. In respect to title I, modernization and repair, we gave a great deal of consideration to that, because most of the irregularities were found in the modernization and repair program. You will recall that when the House passed the bill, we provided that modernization and repair insured loans could be made for $3,000 and a period of 5 years. The Senate amendment which was passed after the investigation, provided that these repair loans should be in conformity with existing law, which is $2,500 maximum with a maturity of 3 years. We accepted that.

In respect to the improvement and conversion of existing multifamily structures under title I, the present law provides a maximum of $10,000 and a maturity of 7 years. The House bill provided for $10,000, or $1,500 per family unit, with a 10-year maturity. The Senate bill struck that out. The conferees, in effect, accepted the Senate version which in substance retains existing law. But we did something else, which is most important to prevent recurrences of irregularities in title I, modernization and repair loans. Heretofore, a financing institution had in effect 100 percent of its entire portfolio of these loans insured. If an institution had $1 million worth of title I loans, they would suffer no loss until their loans in default exceeded $100,000. Because of the very few losses relatively speaking on an individual basis, the financial institutions always had about 100 percent insurance on these loans. We have in this bill what is known as the coinsurance feature under which the lending institution now will have to assume some authority, some responsibility and risk.

Instead of the portfolio being insured in effect in full, now the lender will take 10 percent of the loss on each individual loan. That will compel the financing institution to administer these loans much more carefully or it will have to take actual losses.

In respect to the FHA insurance of houses, you will recall that the House provided for the same insurance on old houses as on new houses. The House had provided for 95 percent on the first $10,000 and 75 percent on the excess over $8,000, with a maximum on 1- and 2-family units of $20,000. The Senate provided 95 percent on the first $8,000 and 75 percent over $8,000 in the case of new houses and 80 percent for old houses. The House maximum on 1- or 2-family units was $20,000. The Senate reduced that to $18,000. The House provision on 3-family units was $27,500. The Senate reduced that to $24,000. The House provided on 4-family units a maximum of $35,000. The Senate reduced that to $30,000.

Of course we had done nothing whatever that would have applied to old houses as well as new houses, but we created a new formula for old houses which I think probably is better in the circumstances than the one we had. The problem there was, when a house was old, how was it going to be determined whether it was going to last during the period of amortization? So although the loan to value ratio is 95 percent of $9,000 plus 75 percent of the excess over $9,000 for new houses, on old houses we provided for 90 percent on the first $9,000 and 75 percent over $9,000, but the President is authorized when the general economy is such as to require it or where the condition of the building industry—I am speaking broadly now—requires it, he may increase the $9,000 figure to $10,000.

The maturities on old houses instead of being not to exceed 30 years as provided in the House bill is limited to three-fourths of what the Federal Housing Administration estimates to be the remaining economic life of the building, or 30 years, whichever is less.

A comparable situation has to do with section 221 housing, in which you will recall the House had provided for 100 percent insurance and 40-year maturities with $200 to cover closing costs. The Senate provided 95 percent of the appraised value. The 95 percent prevailed, with the same maturity provision of three-quarters of the estimate of the remaining economic life.

A very important and interesting provision is explained on page 71 of the statement, which has to do with insurance for servicemen. Under existing procedures and law if a man is a veteran or would be a veteran if he were not in the service—that is if he stays in the service and continues his service beyond the time when he might otherwise have been discharged, then we have provided that that serviceman may take advantage of these special FHA provisions in order to provide accommodations for him and his family. These provisions are contained in the new section 222 of the National Housing Act.

On the question of cost certification: We gave a great deal of study to that. In substance but not in detail, we have included provisions which will prevent mortgaging out.

Let me say that I believe anyone may vote for this conference report with the assurance that we have prevailed in 99 percent of the President's program.

I think probably I should take a few minutes to discuss public housing. You will recall when the bill left the House, it made no provision for public housing. The other body provided for 35,000 units for each of 4 years, for a total of 140,000 units of the total of 810,000 units authorized under the Housing Act of 1949. Under the language, as proposed in the other body, there was no cut-off date. They would merely postpone the authority under the Housing Act of 1949 which, as I said, authorized a total of 810,000.

Now, it will be recalled that when the House had before it this question we had the so-called Widnall amendment, in which for 1 year 35,000 units were authorized. I might say that it seemed advisable that we take a look at this program each year and determine whether it would be necessary the second year to authorize another 35,000 new units or any part of 35,000 units. That was perfectly satisfactory to the administration. I dare say that 95 percent of the people of the United States, including at least 50 percent of the Members of Congress, had always thought of public housing in connection with slum clearance, and there has not been a discussion on public housing in this Congress but what there has been a claim made that we must have public housing if we are going to have slum clearance, or slum clearance and public housing are one and the same thing. Nothing could be further from the fact than that; but, to bring these provisions within the realm of understanding of so many people, and to give the administration authority to take care of those people who are being displaced from slum clearance projects, the conferees restricted these 35,000 units for the fiscal year 1955 in this manner: We provided that after the 1955 program, which calls for 35,000 new units, the public housing program would stop as provided in language contained in the Independent Offices Appropriation Act for fiscal 1954. We also provided that within this limitation of 35,000, which were made available for fiscal 1955, the local governing body—not a local public housing authority, but the local governing body, we will say the common council, must certify that the public housing units within this limitation of 35,000 are necessary to accommodate people who are to be displaced by the slum clearance projects, and the Housing Administrator must also limit the number of public housing units to those required to accommodate the families which are to be displaced. Those who will say that public housing is necessary as an adjunct to slum clearance surely can have no objection to tying in this program with slum clearance. If a slum clearance project is not being carried out in any area, then they cannot get public housing. A slum clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I am sorry, I cannot yield.

With those limitations we believe we have dealt constructively with public housing, and we are sure that the House will recognize that we have done so. We

hope the conference report will be adopted as submitted.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 15 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, to include therein a part of the President's message with regard to low-income housing and a telegram by the president of the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, there seems to be some contrariety of opinion on the majority side as to what the President's program was and is in regard to public housing. Some of our Republican colleagues say they have had conversations with him and he has expressed an opinion on public housing other than that in his housing message.

The President wrote a carefully considered message on housing; that was the only subject that was discussed, and that message was unequivocal, definite, and certain. No man could read that message and have any doubt about the President's desires as to public housing.

That message came to the Congress, but it was also a message to the American people. It was heralded throughout the length and breadth of this land, from the Atlantic to the Pacific, from the gulf to the lakes, that the President wanted 140,000 units of public housing distributed over 4 years at 35,000 a year. How anybody can say that this conference report meets the President's views is more than I can understand. The President has expressed his views in a way they cannot be misconstrued or misunderstood, and he expressed them for a purpose. His purpose was to tell the American people what his views were on this most important subject. I assume that if he had changed his views he would have written another message. He has not done so. The gentleman from Michigan said that the most interesting part of this program is public housing.

We are spending billions of dollars in fighting the spread of communism. We are also spending a great deal of money to prevent subversive activities. I grant you that the infamous communistic conspiracies are not formulated in the slums, but the slums are where they get their proselytes and their converts. Where there is unhappiness, poverty, and disease, the people readily fall victim to subversive conspiracies. Slums are a malignant cancer not only on the city but also on the Nation. It is not solely a city problem.

The President has said what he wants. He has asked for bread and you have given him less than a stone. Yet you claim you have complied with his wishes. I do not think that low-rent public housing is solely a means of clearance of slums. But how are you going to clear the slums unless you have homes for the people that are dispossessed? Here you have a fantastic proposal. The slum dweller is given an opportunity to purchase a house costing $7,600, or in high-cost areas where most of the slums are, $8,600, and pay 5 percent down. Five percent of $8,600 is $430. Then he would have to pay the other charges, such as examination of title, survey cost, and other things which would certainly run it up to about $600. The monthly charges would be $78 a month, I am informed.

Do you believe this is an effective method of relocating people who live in the slums? If a slum dweller were able to pay these sums would he be in the slums of his own volition? So I say there is no provision in this report to help families of low income or to get them out of the slums.

The public housing program was founded on the principles of charity and justice. When you give a man the opportunity to obtain better housing so that his family may have sunlight and healthful surroundings he will have the courage and inspiration to improve his social and financial standing. That is not a bad program. It is not socialistic. There are many big interests that have had favors from the Government so great that they could let their Government subsidies pay for all the public housing units. When the poor ask for something that is socialism. I say the Democratic Party stayed in power for 20 years because of its humane and forward-looking program. If you follow your present course we will come back and stay in power for another 20 years.

There may be some features of this bill that are commendable. I am not saying they are all bad. But I do say the thing that the gentleman from Michigan said we were all interested in more than anything else, public housing to assist the people in the low-income group, is totally inadequate. This is the issue, whether you are going to do something for the people who really need it and in doing that whether you are going to do something for your country and raise the standards of our citizenship and strengthen the security of our Nation.

Nobody can justify slums in this era; nobody can justify our failure to do anything about the slums. The slums are not only a menace to our society, but are very costly. They increase the cost of your health activities; they increase the cost of your fire department; they increase the cost of your police department; they are a bad thing and we should have done something in this bill to remove them. We have not done it. That is plain and that is the issue and we are willing to meet it.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is my understanding correct that, under the conference report, 15 States could not get 1 single unit of public housing because the laws in those States do not authorize redevelopment authorities?

Mr. SPENCE. That is true. The public-housing provision is limited to only 1 year, with 35,000 units. It is so wrapped up in redtape and obstruction that I do not believe there will be 10,000 units put into effect. How are you going to distribute a few units like that amongst the cities of the country that need them?

I have seen the effects of public housing in my own community. I have seen it convert a blighted area into a desirable residential neighborhood where people live decently. This is certainly a proper function for our Government to perform under the Constitution. The people, in the last analysis, are the Government of the United States. When you improve our people you are adding stability and strength to our Government.

When the appropriate time comes, I shall offer an amendment to instruct the managers on the part of the House to insist on the President's program as set forth in his message of January 25 of this year. If you want to follow the President, here is an opportunity to follow him with confidence and assurance that you are carrying out the program clearly expressed in his housing message to the Congress and to the people.

[From the President's message on housing of January 25, 1954]

III. HOUSING FOR LOW-INCOME FAMILIES

The continued lack of adequate housing, both new and used, for low-income families is evidence of past failures in improving the housing conditions of all of our people. Approval of my preceding recommendations will increase the opportunities of many families with low incomes to buy good older homes. But a more direct and more positive approach to this serious problem must be taken by the Government. I recommend, therefore, a new and experimental program under which the Federal Housing Administration would be authorized to insure long-term loans of modest amounts, with low initial payment, on both new and existing dwellings, for low-income families. The application of this new authority should be limited to those families who must seek other homes as a result of slum rehabilitation, conservation, and similar activities in the public interest. I recognize, as did the Advisory Committee, that this program represents a challenge to private builders and lenders. In order to assist them in meeting this challenge, a greater proportion of the risk should be underwritten by the Federal Housing Administration than it regularly insures. The successful development of this program will afford a much greater proportion of our lower-income families an opportunity to own or rent a suitable home.

Until these new programs have been fully tested and by actual performance have shown their success, we should continue at a reasonable level the public-housing program authorized by the Housing Act of 1949. I recommend, therefore, that the Congress authorize construction, during the next 4 years, of 140,000 units of new public housing, to be built in annual increments of 35,000 units. Special preference among eligible families should be given to those who must be relocated because of slum clearance, neighborhood rehabilitation, or similar public actions. The continuance of this program will be reviewed before the end of the 4-year period, when adequate evidence exists to determine the success of the other measures I have recommended. In addition to this requested extension of the public-housing program, the Housing Administrator will recommend amendments to correct various defects which experience has revealed in the present public-housing program.

WASHINGTON, D. C., *July 19, 1954.*
Hon. BRENT SPENCE,
House Office Building,
Washington, D. C.:

Action of the conferees on the proposed Housing Act of 1954 (H. R. 7839) limiting public housing authorization to 35,000 units for 1 year and restricting occupancy of public housing units to families displaced by slum clearance would kill all chances for even a minimum public housing program. The President's recommendation for 140,000 units to be built over a 4-year period represents a rockbottom minimum program. Slum clearance cannot go forward unless low-rent, public housing is available in advance of clearance operations to house displaced families. Urge you do everything possible to obtain a vote in the House of Representatives to recommit the bill to the conference committee with instructions to adopt the President's program of 140,000 units over a 4-year period with no restrictions on occupancy.

GEORGE MEANY,
President, American Federation of Labor.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Speaker, I must say, as I said when the housing bill was being considered in the House, there are some good features in the bill, most of which were retained in conference, and some features which are not good, about which I assume we can do very little here.

In the first place, I cannot share my good chairman's optimism about this bill being the vehicle on which we can hope to construct 1,250,000 to 1,400,000 houses. I do not want to pose as a prophet, but I am afraid that will not be the record 1 year from today.

As I said on the floor during debate, when we had this bill before us, one of the things which I think is drastically wrong with both the Senate and the House bills, is the failure to provide adequately for the necessary mortgage credit. I asked for this time—and I appreciate the chairman's giving it to me—merely to make 3 or 4 brief explanatory statements. I am not going to argue the point of public housing. Everybody here knows how he is going to vote. But I want the record to be clear. I do not want anyone to be under any delusion that this bill has the public housing program proposed by the President in it. Those who are opposed to all public housing should be pleased by this bill. Those who are not opposed to public housing should be displeased by this bill very much. The issue is clear cut.

Thirty-five thousand additional units of public housing are purported to be authorized in this conference report; but, as the chairman said, they could only be used to rehouse families displaced as the result of governmental action—local, State, or Federal—in a community carrying out slum clearance or urban renewal under authority of title I of the Housing Act of 1949.

Even though your community had complied with section 101 (c) of the Housing Act of 1949, and had "a workable program to eliminate and prevent the development or spread of slums and urban blight"—approved by the Administrator of the Housing Home and Finance Agency, it would not qualify for public housing under the public housing provision in the conference report.

Fifteen States—and I name them: Arizona, Florida, Georgia, Idaho, Iowa, Mississippi, Montana, Nevada, North Dakota, Texas, Utah, Vermont, Washington, Wisconsin, and Wyoming—do not have laws authorizing slum-clearance and urban-development projects. In Kansas, Maine, Indiana, and Nebraska authority for these projects is limited to one city.

Contracts for the public housing units under the conference report would have to be signed by June 30, 1955; and, as the chairman stated, the local governing body of a community would have to certify that public housing is necessary to relocate families displaced by a slum-clearance project.

It is my information—and I believe it to be correct—that only 214 communities in the United States have received even tentative approval—that is, HHFA reservations for capital grants—for slum clearance or urban redevelopment. And only 24 communities in the United States—those with an HHFA final loan-grant contract—have reached the stage where they could make the finding necessary to qualify for public housing under the conference report.

It is further my information that several of the communities which could qualify—Newark, N. J.; Norfolk, Va.; Kansas City, Mo.; and Nashville, Tenn.—already have well-rounded urban redevelopment programs and have all the public-housing units they can use at this time.

In other words, if your community is one that does not now have the slum clearance under title I and your community were to take action immediately to qualify, it would take a minimum of 2 years to be in position to take advantage of the public-housing provision in the conference report.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I noted when our very distinguished chairman called up this conference report he referred to it as "the conference report on the so-called Housing Act." I do not think he referred to it that way facetiously, I think he meant just that. It is "a so-called Housing Act." It is not a Housing Act that will produce the kind of housing that the Members of Congress have indicated the country needs.

I do not find fault with any of the conferees who I know devoted themselves sincerely and zealously to the task of bringing back a good housing bill. I do find fault with the report which brings back a bad bill. Yes, as has been said, there are some good things in the bill, but I think the bad far outweighs the good.

I daresay this may be one of the important political issues of the forthcoming congressional campaign, because when you get right down to it, whether you want public housing or low-cost housing or middle-cost housing, you are not going to get much of any of it out of this bill.

As the distinguished gentleman from Alabama [Mr. RAINS] tried to point out to you, while the bill calls for 35,000 new public housing units in the next year, and as the distinguished gentleman from Kentucky [Mr. SPENCE] also pointed out, it is certain that with these many conditions and ifs and buts and particularly the one that requires the contracts to be made not later than June 30 of 1955, you will not get a single new unit of public housing under this bill. There is not a community that can plan and consummate the negotiation of a contract for public housing in less than 2 years. Therefore, that June 30, 1955, limitation in this bill means you will get nothing by way of new public housing out of this legislation.

When the time comes for the distinguished gentleman from Kentucky [Mr. SPENCE] to offer his motion to write into this bill the President's program, I have no doubt that many of our friends in the majority party will leave their President, and I have just as little doubt that the day after we will get an announcement from the White House that the President endorses the candidacies of Republicans who will support his program. I wonder where he is going to find them. I know that in most congressional districts, the people will be looking for them in vain in November of this year.

For many years we have been pointing out other defects in the Housing Act. You have heard and read a great deal about the windfall profits that have been made by builders. Let me tell you, as I have told you before, that if there have been any windfall profits made by these builders on any part of this program the Congress is responsible for it. The Congress encouraged it and the Congress condoned it.

Despite the many warnings that have been given to you, you are writing into this bill today, if you pass it as it comes to you from conference, the right and the privilege to continue to make those windfall profits.

Oh, there is a nice little clause here that says you must get a certification of costs from the builder of the rental housing, that is, rental housing that contains more than 4 units, but on the 1-, 2-, 3-, and 4-family units no certification is required and the builder can go on his merry way reaping all the profits he can get out of the building and out of the mortgage money, with your Government insuring that he will not lose a nickel of his money, and your Government insuring that the mortgagee that advances the money will get every dollar of principal and interest back. I remember only a few days ago, publication of some of the testimony adduced in the committee of the other body, showing how in 1 project alone, over $4 million was made in a single project by an operator who constructed and sold 1-family projects—one-family houses which were built as independent units and which were not rental housing. You preserve the same very bad features in this bill which is now before you.

There are many other bad things in this bill, the worst of which is the give-away program by which Fanny Mae will be turned over to the mortgage lenders

of the country. The same people who talk about creeping socialism resent our pointing out how this bill subsidizes, with the taxpayers' money, the bankers and the builders of the country. The term "socialized credit" very aptly describes this program. The threat to the free enterprise capitalistic system will not come from helping the masses to help themselves. It will come from giveaway programs like this which give the wealth of the country to the capitalists of the country, at the expense of the taxpayers.

The conference report should be rejected.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I am addressing my remarks to the conscience of the House.

There are little children in the slums of our big cities. There are women, mothers of those children, and there are fathers who have the same eager longing as fathers in more comfortable circumstances to give to their wives and their children the conditions of a healthy and wholesome atmosphere. They need our help. The little children who go to bed at night hungry, and on the morrow awaken to another day of drab existence, can be helped by us if we will permit our consciences to guide our actions.

Earlier in the day the great and distinguished Speaker of this House, calling its Members to attentive quietude, said that this is one of the most important days of the 83d Congress. He spoke as always is his custom with clear and precise understanding. Today we in the 83d Congress are to make the decision by which this Congress will be judged by those who in later years will write the history of this period. There is but one question here to be answered: Will the House of Representatives of the 83d Congress ruthlessly crush the dream envisioned in the Housing Act of 1949, the dream of a United States of America free of the blight of miserable and hopeless slums?

I need not remind my colleagues on the other side of the aisle that this has been called the Congress of big business. It is true that this Congress has been lavish in the subsidies that it has given in aid of industrial and banking interests. As the great Kentuckian [Mr. SPENCE] has well said this has never been subjected to the same sort of criticism as is being leveled at the Housing Act of 1949.

My memory goes back to 1949 when there was enacted a housing act of which the late Senator Taft was one of the authors and one of the outstanding champions. Now in the year of his death, when the tributes of affection given at his bier have scarcely been silenced, there are those in this body who loved him and those who followed him with loyalty and fidelity and gave to him the proud title of "Mr. Republican," who are asked to vote for the death knell of the public-housing program which was the heart and soul of the Housing Act of 1949. How can you do it? How can you so quickly forget those words of counsel that came from the lips of your leader now fallen?

The proposal brought back to us by the conferees is for 35,000 new units of public housing, and then the end for all time of the program that the late Senator Taft thought he had assured as his greatest contribution in public service to his country. It would be bad enough if there were to be 35,000 new housing units, and then the end. But this proposal goes further than that. It is a mockery since the conditions under which these 35,000 new housing units may be contracted for are impossible to be met. The distinguished gentleman from Alabama [Mr. RAINS] has shown how fantastic is the pretense that the report of the conferees actually provides for the continuance of the public housing program on any scale even for 1 year. I have checked carefully and I can say with certainty that under the conditions imposed not one new unit of public housing will come to the city of Chicago.

It is like strapping a man to a chair, putting food on the table beyond his reach, and telling him dinner is served.

If this is what you on the other side of the aisle call saving the face of the President, I am afraid that the burning cheeks of the man in the White House will be your own only answer. He will wish from the bottom of his heart that the matter of his face treatment had been left in friendlier hands. The President asked for 140,000 new housing units. You of whom he asked it, the members of his own party, some of whom only yesterday asking his blessing and being photographed with him for purposes of a forthcoming campaign, today are asked to vote to give him not 140,000 housing units but the scant 35,000 so conditioned that there will probably come from it all not one single new housing unit.

Where are your consciences, where is your loyalty to the late Senator from Ohio whom you professed to love and whom you followed in the days when the path seemed to be leading to the power of the Presidency? Some of you followed the star of General Eisenhower in the preconvention period. All of you on the other side of the aisle were hitched to and were benefited by that star in the campaign that followed the conventions. Where now is your loyalty to your chieftain?

General Eisenhower as a candidate pledged himself to giving a helping hand to the most unfortunate of our fellow Americans, the men and the women and the children who are doomed by the destinies of their lives to the hopeless environment of the slums. As President of the United States he acknowledged his pledge, he said that he would be true to that pledge, that he might not go as far as had been charted in the Housing Act of 1949, in the enactment of which the late Senator Taft was a vital factor, but that he would use all of the influence of his own personality and the prestige of his office to see that there was provided a minimum of 140,000 new housing units.

Where are your consciences that one day you can ride on the coattails of your President, and the next day subject him to the greatest humiliation that has ever been given to the President of the United States by the members of his own party?

I shall vote with the President of the United States. When it comes to giving a helping hand to misery, to relieving as much as God has given the power to do the distresses of the less fortunate, there should be no semblance of politics. I would have preferred the full program as approved and championed by the late Senator Taft and for which I, as a member of the Banking and Currency Committee, worked and voted for in the 81st Congress.

The gentleman from Kentucky [Mr. SPENCE], the chairman of the Banking and Currency Committee in the 81st Congress, whose masterful leadership gave to the Nation the greatest housing act in the history of any nation, will move to amend the pending measure to conform with the recommendation of President Eisenhower of 140,000 new housing units.

I shall support the motion of the great Kentuckian. I hope that conscience and a sense of loyalty both to the late Senator Taft and to President Eisenhower will persuade my colleagues on the other side of the aisle to do likewise.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I am glad to yield to the distinguished gentleman from New York.

Mr. JAVITS. I will say to the gentleman that I intend to support the motion to recommit, and that I believe we should back up the President. I believe that the masterful job which has been done here is to reconcile people who are generally unfavorable to federally assisted low-rent housing. But I think those who are favorable to federally assisted low-rent housing have their last chance to vote, and must get behind it today, because I am convinced it will be a major issue in the cities, certainly, in the elections of 1954, and that the great majority of the city people want the President's program.

It is incompatible with the majestic power of Government to provide without providing. The conference report says it authorizes 35,000 federally assisted low-rent housing units for the next fiscal year but the condition tied to it reduces the figure to an estimated 10,000 units. The President has already given us a program which is so reasonable as to be on the minimum side of 35,000 of such units each year for 4 years a total of 140,000 as voted by the other body and we can understand and agree with the President's views which were designed to attract the most widespread support for the program at the same time that it met the rockbottom needs as found by the survey of a Presidential Commission. The reasonable administration program meant just 3 percent of new housing starts to be federally assisted low-rent housing designed to help one-third of our country's families, which come within the generally eligible income brackets, to meet their housing needs. Slum clearance, urban redevelopment, and community development must have advance planning. No such

opportunity is given adequately under the legislation now in the conference report.

In addition, tying federally assisted low-rent housing to relocation of eligible tenants displaced from slum clearance is impossibly restrictive as it excludes balanced community development with the aid of Federal low-rent housing. Relocation of tenants displaced due to road improvement and other municipal improvements, areas where slum clearance is impractical, the avoidance of the creation of new slums, and the use of open land with great savings is made difficult if not impossible in federally assisted low-rent housing under the conditions of the conference report. State and municipally assisted low-rent housing programs, experience has shown will not flourish unless sparked by federally assisted low-rent housing. It is significant to me that the senior Member of the other body from New York, one of the conferees refused to sign this report. Though the report has many desirable features, and my whole record shows my devotion to all measures to increase the overall supply of housing, I cannot support this report unless it carries at least a minimal amount of federally assisted low-rent housing without impossible conditions as in this way alone is it a balanced housing program for all the American people.

Mr. O'HARA of Illinois. The gentleman from New York, as usual, has spoken with clarity and realistic understanding of conditions in the large urban centers of the Nation. Those who vote to approve this proposal are giving a death blow to public housing. More than that, they are saying to the little people of America, the little people who live in miserable circumstances, the children in the slums, and the mothers and fathers of those children, that this Government has no heart for them. Those who are photographed shaking hands with the President on Monday should not permit themselves to be found on Tuesday stabbing him in the back.

Mr. Speaker, the vote today will be an issue in the congressional campaigns soon to be in full swing. In my own city of Chicago, with a growing unemployment and a greatly diminished family income, the housing shortage continuing, rents are soaring beyond the financial ability of tenants. They have got completely out of the control of the responsible real-estate bodies.

For 2 weeks there has been lying on the shelf of the Rules Committee my resolution for a select committee from this body to look into the housing and rental situation in Chicago and other urban centers. Come September tenants are faced with meeting further demands for rent increases or eviction into the streets. Their only hope is in quick action by this body, an investigation helpful both to tenants and to real-estate owners who will be ruined by a speculator's runaway spree. Nothing is being done.

It is not only the most unfortunate of all, the human beings living in misery in the slums, who receive no listening ear, no helping hand. The vote today on the motion to provide 140,000 new housing units, as proposed by President Eisenhower, will furnish to the people a true index of your intention toward all who suffer from a continuing housing shortage and for relief are given no housing program to bring decent roofs within the reasonable reach of a majority of our people.

The SPEAKER. The time of the gentleman from Illinois [Mr. O'HARA] has expired.

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Speaker, this conference bill on housing has been variously described as a "compromise" or as a "partial victory" for President Eisenhower on the public housing issue.

Actually, it is death for public housing—not quite sudden death, it is true, but a lingering, agonizing, 12-month decline into a corpse.

Here is how the so-called compromise works: The 33,000 units presently committed and presently being built cannot, of course, be stopped. They will go on to completion. This bill says that an additional 35,000 units can be arranged for by the Housing and Home Finance Agency and the housing authorities of the various cities, and that is all. After those 35,000 units are committed for, the program ends.

But even while authorizing this anemic diet for the final year of public housing, the conference report puts ground glass in it by providing that only those families actually displaced from their present homes by redevelopment can be housed in the new units.

That will so limit and so restrict the practical use of these last remaining 35,000 units of public housing, that many cities will have no use for them.

So, under this bill, as I said, we are not only starving public housing to death in the next 12 months, but sticking knives into the victim and feeding it ground glass to speed its demise.

Is this, then, a compromise on the 140,000 units over 4 years that the President asked for? Certainly it is no compromise at all, but a one-sided victory for those who most bitterly oppose any and all public housing.

I have seen some news stories on this bill which indulged in this kind of arithmetic:

First. The President asked for 140,000 units over 4 years.

Second. A total of 33,000 units is now going forward.

Third. A total of 35,000 units is proposed in this bill.

Fourth. Add 33,000 and 35,000 and you get 68,000.

Fifth. Therefore, President Eisenhower is getting just about half of what he asked for, since 68,000 is about one-half of 140,000.

What the arithmetic ignores is that President Eisenhower asked for 140,000 units over and above the 33,000 units which were already in the works under previous programs. He asked for 140,000 new units. He is getting 35,000.

Actually, Mr. Speaker, we need and could use at least 100,000 units of new public housing in this country every year. The President's Council of Economic Advisers recently reported how housing starts in this country have been down every month this year, below comparable levels of the previous years when we were building well over 1 million new American homes a year. We need vast numbers of new homes for the growing population of the United States, as well as for the dwellers of slums who live in quarters unfit for human beings.

Recently, Mr Speaker, I noted for the House some comments on the housing situation by Hans Froelicher, Jr., who is generally regarded as our "Mr. Housing" in Baltimore, and is nationally known as president of the Citizens Planning and Housing Association, which has been instrumental in the rejuvenation of Baltimore's slum housing and in planning for a better-housed community generally.

Since quoting those extracts from his remarks as contained in a Baltimore Sun news story following a dinner of June 1 honoring Mr. Froelicher's 10th anniversary as president of the Citizens Planning and Housing Association, I have come into possession of the full text of the talk he delivered that night.

In view of the fact that it shows the problems of those civic-minded people in our communities trying to band together to help rid our cities of the slum blight, I think it would be appropriate to have it included in today's CONGRESSIONAL RECORD which also contains the debate on this housing bill, and so I ask unanimous consent that it be printed in full in today's RECORD.

But I should like to quote briefly from it right at this point:

> Rebuilding and renewing a city takes as long as history. In fact, it is history. It takes the greatest part of the financial substance of each citizen. This places at the door of business an immense responsibility. Businessmen, and only businessmen, can make it possible for change to pay. How long shall we wait for Baltimore businessmen boldly to plan and execute a transformation like that in Pittsburgh? * * *
>
> Bad housing is the cancer of our cities and for this cancer there are many tonics but only one specific. That specific is our acceptance of responsibility for our neighbors and ourselves with all the sense and ingenuity that we can muster.
>
> I challenge each of you that there is very much to do. This challenge goes to you who know the problems and especially to you who face these facts for the first time tonight. What you owe is to yourselves because there is no one here whose health and home, whose wages and taxes, are not affected by our negligence. There is no one here who does not sink as the waters of living seek their lowest level.

Mr. Speaker, I think the philosophy this represents, coming from a man credited with accomplishing miracles in Baltimore's housing redevelopment and rehabilitation, should impress us all with the urgency of making redevelopment more practical and more effective, and that means a real public-housing program, not the halfhearted kind the President has suggested. Certainly it means doing much more than this bill

proposes, for this is a bill to murder public housing within the year.

I wonder if the conferees who agreed to this anti-public-housing bill have ever seen and smelled and understood what slums are really like, and what they do to the human beings so unfortunate as to have to live in these wretched hovels. I do not see how anyone who has visited such neighborhoods could ever again question the need for public housing for those for whom private enterprise just cannot, as a practical matter, provide decent shelter.

As a last word, I would like to quote Hans Froelicher's recollection of his first tour of a slum area—his first introduction to a field in which he is now a nationally recognized expert. He said:

I must have touched something because I wanted nothing except to take a bath and burn my clothes. I could not bear the thought of food because I had seen and smelled a rotting mass in a filthy, faulty outside hopper.

Mr. Speaker, it is not a pretty picture to reconstruct here in the dignity and quiet elegance of the House Chamber, but it is a picture drawn from life—and it is our job to face life as it is and do what we can about improving those things subject to our jurisdiction. This is one area where failure of the Congress to act, where unyielding opposition to public housing, would reflect the same blindness to conditions that characterized Marie Antoinette's innocent remark that if the populace was unable to get bread, why do not they eat cake? She did not know any better; she had no way of knowing the people were starving.

Is Congress similarly unaware of the tragic housing needs of large segments of the American people? Are there Members here who believe, with Marie Antoinette's innocence, that people live in slums out of choice?

They live there, Mr. Speaker, not out of choice, but out of desperation. This bill condemns them to stay where they are—in the filth and in misery—and to raise their kids as best they can to love an America which seems to forget them.

Mr. Speaker, under unanimous consent of the House during my talk today on the conference report on the housing legislation, I include a moving speech entitled "Ten Years As a Volunteer" by Hans Froelicher, Jr., at a dinner in his honor in Baltimore on June 1. Mr. Froelicher, president of the Citizens Planning and Housing Association of Baltimore, has been the sparkplug stimulating Baltimore's remarkable progress in restoring housing standards in our community. But despite all this progress and Baltimore's national wide reputation for the work it has done in this field, he notes that Baltimore still has the highest percentage of dilapidated housing of any large city and that much remains to be done.

It is very fitting, I believe, that his philosophy of combatting housing blight should go into the same CONGRESSIONAL RECORD which contains the House debate on the issue of public housing, as it has been drawn in the conference report seeking to kill public housing.

Mr. Froelicher's address is as follows:

TEN YEARS AS A VOLUNTEER

(Address by Hans Froelicher, Jr., June 1, 1954)

The days ahead will never be enough in which to thank you for your thoughtfulness. That I must do tonight. That goes double for Joyce Froelicher and me. We love people and it is in our hearts to love and to trust them. For us, this night is a renewal of our faith—a wonderful sign, outward and visible. If tomorrow's light and duties cut us down to size, it will not be the same size. We shall be, to paraphrase the words of our Park School prayer, "a little happier and a little better for your influence." You have added to our size because you have, by coming here, inspired and wrought in us a greater dedication for tomorrow. Our deepest thanks to each of you.

I had my moment of vanity when it was first suggested that I might be the guest of honor tonight. Vanity passed, and following came fear: fear lest there be some who thought that naming one volunteer would be affront of arrogance toward the so very many others. Then fear was gone because I knew a story that should be told. I tell it as your volunteer-in-common.

I shall not try to unwind all the threads which have been shuttled into the pattern woven here tonight. For each part I have had, there have been so many, many others lending their talents and their devotion that time would run out if I tried to name their names. They know, and so do I, that we are a fabric: each one a thread to make the fabric strong and each one, in his especial hour, the thread to hold the whole together. This dinner is, therefore, much deeper than an individual honor. It is a testimony that there must be the volunteer in our democracy. Where volunteers are able to make good-objectives-for-citizens into good politics for politicians, they supply the leaven which can make democracy rise to its point of greatest realization: to the point where government is made to serve its citizens. Your presence here is recognition of this fact, a fact of which I am one symbol.

My story is a story of people, first a few, then more, then many, many more. I hesitate to call it a movement because even in its ever-increasing complexity it was at first and is now and always will be the people.

CPHA began in the minds of a few who saw the desolation and the waste there is in slums. Very simply, they decided that slums should be eliminated. They set out to enroll others in their tiny Citizens Housing Council. Social workers were the nucleus, but they knew from the beginning that a broader base was needed from which to work. At that time in Baltimore there was no housing code. A sample of public housing had slipped into the city in place of slums and there it was, un-understood. Urban redevelopment was a phrase to describe the dream of planners. The odds against housing reform were tremendous.

The social workers and their friends found other friends. They found professional people: planners, architects, lawyers, educators, representatives of labor, all seeking support for a dream. The tiny council became the Citizens Planning and Housing Association. It was launched with a series of seminars at the Peale Museum. That was where this one volunteer came in. I listened, and if I listened with dismay, I learned. I learned that there is no escape from the cost of blight to me even if I move from Bolton Street to Prettyboy. My wages must depend on the city's business health—on its piers, its stores, and its factories. The foundation stone of the city's business health is the city's real estate and nothing is more vulnerable to carelessness. Let a house, let a neighborhood run down and with such slippage go tax values and then taxes. The blighted place costs more to run, more, much more, than it yields in taxes. This waste becomes the burden of our piers, our stores, and our factories. This is not all. No one has invented the bookkeeping machine which calculates the cost to me of the crime and the illness fostered by, and festering in, an overpcpulated slum. But any man can tell when a slum disease moves into his family and when a slum-bred highwayman snatches his woman's purse and slugs him or slugs his peaceful neighbor. If I am impelled blithely to traipse to Prettyboy from Bolton Street, what absurdity is there if a business moves from Canton (Baltimore) to Canton (Ohio)? I cannot simply stand aghast at the cost of slums, nor can I move away when I know there is a place at which a part of this could stop. For me, myself alone, I owe what hard and commonsense I can hammer out to save my wages, my body, and my spirit.

I heard all this. On all this I pondered. And then I went to see. I took a slum tour.

For the first time I sensed a slum. I had been there before, but I had traveled with passing glance. This time my senses took them in.

I must have touched something, because I wanted nothing except to take a bath and burn my clothes. I could not bear the thought of food because I had seen and smelled a rotting mass in a filthy, faulty outside hopper. Most ominous of all was the way the neighborhood drew in its skirts. Shutters closed, children were beckoned into their houses. I was an intruder, I was resented. Here and there I saw a potted plant, a trim curtain, or a little girl in starched and spotless gingham. How come these somethings? Was there some hope in this? Was there ought a man could do?

Never was greater call for doing good. Never was a "do-gooder" more useless. Indignation was not enough. People must change. Slum dwellers, slum landlords, comfortable citizens, indignant citizens, lawmakers, officials, newspapers, and schools. Before people can change, people must know. And when they know, there must be clamor. The first job of CPHA was to set out to raise this clamor. The voice of a few must become the voice of many.

Years pass, and I visit another slum—this time with the boys and girls of my school. The conditions are similar, but the atmosphere is somehow changed. Intruders, no, nor meddlers either. We were invited into houses. We and the policeman who guided us were welcomed as friends. This was 10 years and a thousand events later. Those busy years had made a city aware of its blight. Its officials had done something. Supported and urged by a clear public voice, the city had begun to move in. The city and its people do care. "Slumming" has a new meaning now. A carnival of visitors is the forerunner of action toward something better. Those visited know this. Fifth, decrepitude, and exploitation cannot continue.

This now is a city's will.

These are not idle words. They are facts: 200 square city blocks of blighted homes have been improved under the Baltimore plan; 130 acres of slum dwellings have been cleared away to make room for something better—that is, 7,000 dwelling units of public housing and 2 private redevelopment projects; 24,000 outside toilets have been removed and we are no longer champions in this statistic. A million board feet of rotting fences have come down. A housing court is an accepted part of our judicial system. Our housing code has been rewritten with a new level of minimum standards for all. A Housing Bureau, fortified by this code and our court, has now sufficient capacity and experience to carry forward rehabilitation by neighborhoods instead of piecemeal. Directly benefited by all of this are thousands of our neighbors directly and indirectly, hundreds of thousands have had a

level up. Behind and around all this is the planning to make these many works coordinate and lasting, now coming onto blueprint paper in the form of a master plan for the land-use of an entire city. Each step a battle, in sum this progress is imposing triumph for a city, for its mayor, its city council and its people. These are the accomplishments of a city's officers. They are the experts; they are the doers, the builders, and they will sign the reports. To them all honor. Back of them the volunteer, whose place we celebrate tonight—no longer one, or few, or alone. Our 2,000 are a nucleus of many interests and with such interests we make and keep alliance. Our volunteers now are disciplined volunteers and often, if you please, professional volunteers. They have learned that good intent is by itself of little worth.

How many of you can echo, from his own experience, my unconfidence of many years ago? How many times you and I have tried to do something of worth only to have it fail because, as volunteers, we could not give the time and constancy demanded. I was unconfident because I knew that when my time was needed by my school, school would come first and slums would have to drift. My school was always first but the slums never drifted. I discovered that the professional was the necessary complement and partner of the volunteer. When I must default, the staff stepped in and found my substitute. We carried on, though I could not. That is how, working together, CPHA has been able to bring its major projects to result.

We found much more depended on our staff. They were the agencies of our discipline—our constancy and our consistency. Not only did they find us the facts, but with patience and with understanding, they made us masters of the facts.

Forgive an interruption. And, Frances, forgive a disobedience. Frances' orders were to stick to the volunteer and not to mention her.

I have been describing a technique, yes, but one which has been developed with artistry and love by an artist.

What loss there would have been if the callow social worker who wrote the Study of Wards 5 and 10 had called that her day. Fortunate are we because her courage and devotion have builded on that start of startling facts and because each of her days is lived for making new tomorrows.

I turned to William Wordsworth for a way to talk of Frances. There were two poems from which to choose, one titled "She Was a Phantom of Delight," the other "Ode to Duty." See my quandary when I read in the Ode to Duty:

"Stern Daughter of the Voice of God,
Oh Duty! if that name thou love,
Who art a light to guide, a rod
To check the erring, and reprove."

And turning back to the first poem, I read:

"I saw her upon nearer view
A Spirit, yet a Woman, too!
A creature not too bright or good
For human nature's daily food;
For transient sorrows, simple wiles.
Praise, blame, love, kisses, tears, or smiles."

* * * * *

"And yet a Spirit still, and bright
With something of angelic light."

No quandary now, I had to reach them both.

Now back to the volunteers.

Out of this has come a catalog of volunteers at the service of our city: Social workers, architects, lawyers, labor leaders, educators, businessmen, and housewives, who have trained themselves to be experts on a city's business. Many and many a time the drudgery of the office has been done by those who could afford to give us that exactly. Today, no matter what the crisis, we have those to whom we may apply. Whether it be the mailing of a thousand things, a public hearing, or the final touches on a city plan, we have those who are ready and who come. They come and they have come because they and their predecessors have been successful in bringing about community change.

Each successful volunteer has brought in more. In this way, group after group has become identified with the objectives of a city. We have reached into groups as we have needed them and they have needed us. If we started with social workers, shortly we found the social workers joined by planners.

The first triumph of the social-work group was, believe it or not, to find tenants for public housing. The first triumph of the planners was to find citizens who understood their ambitions for a city. With them came architects, educators, others. Planners and businessmen were working up the idea of redevelopment. In us they found a public to back them up.

Redevelopment legislation was put on the books, but it was long years before there was redevelopment. While it was left in ferment, CPHA had pressing problems to face. One work of 7 years was the reconstitution and reorganization of the Housing Authority to the end that it should serve its purpose. The other problem was that of furnishing a force of public opinion to back up the "Baltimore plan" in its embryo stage of law enforcement. Our natural allies here were those who worked with real estate and mortgages. Some of this group, who joined our board, picked up the torch of law enforcement. Their concentrated work advanced this program to a new frontier for Baltimore and a deeper frontier for the country at large. A Baltimore plan of neighborhood rehabilitation is now a nationally espoused purpose of the mortgage bankers, the home builders, and the real estate men.

Through the years CPHA has helped the public schools to learn that they are not helpless in this problem of their neighborhoods. They have found 100 ways to arm their children with the hope for better living and the feeling that they themselves can do something.

The latest group to join with us is the improvement associations. Today neighborhood organizations are pioneers. A Mount Royal group, for instance, invited the city to come in with its neighborhood rehabilitation program. Then, they rose as a man to hold fast to the plan for a State office building in area 12. They found that their interest was the interest of a whole city and they used our staff as their asset of education and consistency. As of now, they have borrowed a leaf from our book and have their own executive secretary.

I have told you a story of success but Baltimore is not yet successful. Baltimore has lost its leadership in outside toilets but still has the highest percentage of dilapidated housing in any large city. Slums, a city's most expensive luxury, remain a gold mine for some. This is a tough and disagreeable business. Baltimore cannot relax.

CPHA is no exclusive club. We must enlarge our circle in order to carry on and in order to bring to bear a city's conscience on its problems. We must see to it that we reach the potential volunteer of any age.

Unrealized and untapped is the strength that we must see and develop in those who by necessity live in slum neighborhoods. This means a close partnership between the schools and those who work in social welfare and church groups. CPHA must help groups in every neighborhood to make their voices heard and to make their own partnerships with the agencies of the city.

It must help those city agencies to discover and use this potential in citizen interest. Here we might cite the citizen support now building in the field of recreation.

Rebuilding and renewing a city takes as long as history. In fact, it is history. It takes the greatest part of the financial substance of each citizen. This places at the door of business an immense responsibility. Business men and only business men can make it possible for change to pay. How long shall we wait for Baltimore business men boldly to plan and execute a transformation like that in Pittsburgh?

We are proud of our sister organizations: The Citizens Planning and Housing Association of Annapolis, the Howard County Citizens Planning Association, and the representatives of Pittsburgh, Philadelphia, New York, Boston, Cincinnati, and Washington housing associations who are here tonight. We are convinced that in each community there must be a voice which is clear and confined to this specific public interest, and it is our purpose to help foster such developments elsewhere.

Bad housing is the cancer of our cities and for this cancer there are many tonics but only one specific. That specific is our acceptance of responsibility for our neighbors and ourselves with all the sense and ingenuity that we can muster.

I challenge each of you that there is very much to do. This challenge goes to you who know the problems and especially to you who face these facts for the first time tonight. What you owe is to yourselves because there is no one here whose health and home, whose wages and taxes, are not affected by our negligence. There is no one here who does not sink as the waters of living seek their lowest level. Compassion or dismay are motive power, but they are not enough. Each must make the journey of his spirit from the selfishness of self-protection or the selfishness of "doing good" to the selflessness that shouts: This can and must be done by us. There is no short, no simple way. Each first must know the facts: our city's policy, its money, and its servants and their plans. Each then must share and push—giving at each crisis his time or thought or money. This is no one-shot sale, nothing to "file and forget." This is your part, our part, in making work our urban, industrial civilization. It is setting a standard for living which is not of things, but of responsibility.

There is no they to do it for us, so the myth of them must be exposed. It is given to each generation to give new meaning to the honored phrase, "We, the people." To this end I pledge the next years of CPHA. Into this process, we invite you. Into such process the year 1954 commands you.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I am sure we were all impressed with that very eloquent and emotional appeal by the gentleman from Illinois [Mr. O'HARA]. I am not so sure that he correctly stated what the issue will be before the country this year. I am impressed with the fact that the issue before the country should be whether we are going to be able to perpetuate this glorious young republic, the last haven of refuge of the free people on the face of the earth and not permit it to be bankrupt and become a prey to communism. I think the question should be whether we are going to be able to have a balanced budget; whether we are going to be able to operate this Goverment on a sound fiscal policy.

Mr. Speaker, when this matter was under consideration before on sending the bill to conference, some of us wanted to have a showdown then on that question, and we had quite a colloquy here,

with the understanding, we thought—those of us who opposed this socialistic scheme—that we would have a direct vote on whether we are to have any new public housing. I understand now that the gentleman from Kentucky [Mr. SPENCE] will exercise his right, and I think he has it under the rules of the House, to offer a motion to recommit the bill. With instructions to bring in an authorization for 140,000 units. This will preclude the carrying out of that agreement.

Mr. SPENCE. I was not a party to any agreement.

Mr. COLMER. The gentleman was here when the agreement was made. Let me go on, if I may.

The issue is coming on a motion of the gentleman from Kentucky [Mr. SPENCE] when he wants to reinstate 140,000 units. That was the same question that we had under consideration in this House on April 2 of this year on a similar situation with which we are confronted today, a motion to recommit, made by the gentleman from Missouri [Mr. BOLLING] to put these 140,000 units in, and this House voted, by a resounding majority, against that motion and provided for the winding up of the public housing program. Here is the record showing how each of you voted. And I think it is only fair to say that this group which sits on my right, the northern Democrats, who believe in that philosophy, voted for the motion.

A large portion of the group which sits on my left, Republicans, are opposed to that philosophy. They voted their philosophy against public housing. That was on April 2.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman briefly, but I have not much time.

Mr. WOLCOTT. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HALLECK. The gentleman has referred to the debate that took place here at the time we sent this measure to conference. That was on June 17. I just want at this point to make my position perfectly clear. I have the copy of the CONGRESSIONAL RECORD before me and I have read all that was said by the different Members.

At that time the issue was whether or not certain people who were opposed to public housing should make a motion to instruct the conferees but would forgo that; that when the conference report came back if it included public housing then the way to get at it directly and to raise the issue, to present it, would be to make a motion to recommit to strike out public housing. I made that suggestion as far as I was concerned in good faith.

There were numerous statements made by the gentleman from Mississippi and by the gentleman from Virginia [Mr. SMITH] in line with that suggestion; and as the gentleman pointed out, as far as I can discover in the RECORD, there was no suggestion that any effort would be made to deprive the gentleman or any of his colleagues who have been in opposition to public housing of the right to make the motion to recommit.

Of course, as the gentleman points out, the rules are otherwise. If the gentleman from Kentucky insists on the motion to recommit, then, of course, the Speaker would be required to recognize him. But, again, as far as I am concerned I want to make it clear that those statements are made by me, and if there were any way now to see that that obligation that was created could be carried out I certainly would do it.

Mr. COLMER. Permit me to say in reply that the Member now addressing the House has not charged the Majority Leader with bad faith nor has he charged the gentleman from Kentucky with bad faith. All I can say is that it is a very unfortunate situation that has arisen here. Personally I would want to see the whole thing thrown out, but we have gotten ourselves into this situation and you are going to be called on now very shortly to say whether you are going to stand by your convictions of April 2 when you knew what the President's program was then as well as you do now, or whether you are going to change. That is the whole issue involved.

I might add, Mr. Speaker, that in view of the provisions of the bill and the decision of the packed Supreme Court denying segregation in these projects that it would be most difficult if not impossible for Members from my section of our common country to vote for any number of units, regardless of how small.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Speaker, the housing conference report presents an overall bill to promote and encourage housing construction in the United States that should receive support in both Houses.

Since I have become a Member of the House I have been interested in providing the opportunity for homes and better housing for our people.

One of my first acts in the House was to sponsor a nationwide housing investigation which resulted in the creation and constructive work of the Rains committee. As sponsor of the investigation, I was named as a member of the committee.

That committee conducted hearings throughout the United States and as a result of its investigations and findings thousands of cases of defective home construction were corrected and the possibilities of future errors were eliminated. Inspections, plot planning, and other home construction features were improved and safeguards provided for future home purchasers.

In the conference report on the new housing bill I am particularly pleased for several reasons.

First. The possibility of continuation of a sound public housing program is provided through adoption of a conference amendment that is essentially one provided in an amendment I offered to the House on April 2, 1954, when the House bill was first debated.

At that time I offered an amendment which proposed to continue the public housing program with 35,000 units for the fiscal year 1955. If permitted 35,000 additional units in the piplines necessary to meet the problem of relocating low-income families who were to be displaced by demolition of slum areas or other governmental action.

Although defeated in the House at that time it is now substantially as originally written in the conference bill. It means the continuance of a public housing program, tied into actual slum clearance, which was the original intent of the public housing program.

Second. Section VI of the conference report incorporates almost entirely as originally written a House bill introduced by me this year to provide a voluntary home mortgage credit program. This section seeks to provide and facilitate the flow of credit in sparsely populated areas, where thousands of families have previously been unable to provide adequate, modern housing for themselves. It seeks to develop a market voluntarily, at no cost to the taxpayer or the Government that will build good homes in the outer areas of the housing market.

With this section VI a great opportunity is provided for private enterprise in home construction. It should be a great step forward.

Third. Within the new housing bill is also a provision for a certificate of compliance to be provided by the builder or seller. This is a fine provision for better building and finer construction. It is the outgrowth of the House housing investigations and should largely eliminate the previous shortcuts and frauds of defective construction, inadequate sanitation and drainage facilities. I am particularly pleased about this section because it is the direct result of the investigation of our House Housing Committee.

This bill should provide, as stated by Majority Leader HALLECK, housing starts of over 1,400,000 per year. It is an incentive to good building—toward home ownership—and the ability of the average American to provide a modern home for his family.

There is nothing you can name that will prevent and provide a better cure for communism than a well-housed America. With this bill the ability of all Americans to provide adequately for the family is envisioned. There is a real sense of pride in assisting in the formation of its provisions.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD and have 5 legislative days in which to revise and extend their remarks on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. BUCHANAN. Mr. Speaker, the motive behind this conference report stands stark and clear for all to see—it is to bring the public-housing program to an end as quietly and effectively as possible. Of course, it follows the pattern of all the other administration programs against the public interest. It is all tied up with pretty bows and ribbons in a desperate attempt to make the people think they are getting something.

For even the most bitter foes of public housing know that the people want an adequate program providing decent shelter for low-income groups.

The bows and ribbons in the conference report—the sugar-coating—is the authorization for 35,000 additional public-housing units during the fiscal year 1955. But this authorization is subject to the limitation that a low-rent housing project may be undertaken only where a slum-clearance program is being carried out and there is a certification that the project is needed for families displaced by the slum-clearance operations.

Now, this limitation is not only directly opposed to the program as presented by the President in his budget, but also to the recommendations of the President's Advisory Committee on Government Housing Policies and Programs. It is important to note that this 23-man committee, made up predominantly of representatives from private real-estate and financial interests, recommended the continuation of the public-housing program as contained in the Housing Act of 1949 to meet the continuing housing needs of low-income families pending demonstrated progress of other programs recommended by the Committee.

There is not the slightest evidence in the recommendations of the President's Advisory Committee that public housing should be restricted to families displaced by slum clearance activities. On the contrary, there is every indication that this committee recognized a continuing need for public housing until it becomes clear that the private housing market could take care of the problem without the need for direct subsidies.

The report of the Advisory Committee shows that 29 percent of the families in public housing were receiving public or private relief or were recipients under social security or other public pension or payment plans. Over 26 percent of the families admitted are broken families; that is, families with children but only 1 adult present. And during 1952 the average annual income of families admitted was $1,986.

Nearly half of the families admitted are families of veterans or servicemen.

During the years 1952 and 1953 only 7 percent of families admitted to public housing were families who had preference because they were displaced from title I or other public slum clearance sites.

Thus, it is clear that the great proportion of families who need public housing assistance would not be eligible under the conference committee substitute. This provision is a cruel sham and a fraud upon the millions of families who are living in crowded, unsanitary, and substandard conditions.

It would not be possible under this conference substitute to relieve overcrowded slums in planned stages. For example, if there were 3 families living in a substandard dwelling, it would be impossible to take 1 of the families out and give it public housing assistance. It would be necessary to tear the whole unit down and displace all three.

Families of low-income veterans and servicemen, making up nearly half of current admissions, could not have units planned for them unless they were to be displaced. This bill extends veterans' preference for another 5 years, a provision to be commended, but at the same time it says: "No, no, veteran, there's no housing for you unless you have been displaced."

Let us see how this program before us today will help my own district, an area which is in desperate need of housing. During 1953, in the city of McKeesport, for example, a total of 81 families were admitted to public housing units and not one—not a single one—had been displaced. And in Pittsburgh only 3 percent of all families admitted to public housing during the years 1951 through the first half of 1954 were displaced. These figures, which are typical of the rest of my district, are graphic proof of how effectively this provision will result in as few public housing units as the foes of the program could devise under a token authorization.

Is there no limit, Mr. Speaker, to the lengths this administration will go in removing the substance and leaving only the form of all legislation dedicated to the people's interest?

We all know that if the administration sincerely wants more than a token housing authorization it can get the votes to recommit this bill. We saw only a few days ago when the administration farm program was here, how effectively it could apply pressure in behalf of legislation it really wants.

Let us recommit this bill and insist that it be amended to include the bare minimum of 140,000 units over a 4-year period as recommended by the President and passed by the Senate.

Mrs. SULLIVAN. Mr. Speaker, I realize that it is impossible to have complete unity within any national political party on every issue or even on any single issue. But when it comes to the Republican Party and this issue of public housing, I must admit I am puzzled and confused.

The Eisenhower wing of the Republican Party, after first expressing uncertainty about it and studying it thoroughly and carefully, finally recommended a continuation of the public housing program. But the so-called Taft wing of the party fights savagely against any public housing, and in this bill seems to have succeeded in killing public housing by next year, unless a Democratic Congress is elected in November.

But here is why I am so puzzled: The leader during his lifetime of the Taft wing of the Republican Party, the man who gave his name to that wing of the Republican Party, was one of the great friends of the public housing program. He was a co-author of the Housing Act of 1949, the public housing provisions of which this present housing bill would repeal.

Is it a case of the Eisenhower wing of the party now following the late Senator Taft's philosophy—at least in part—on public housing, while the founder of the Taft wing of the party is deserted on this issue by his own following?

Some of our Republican colleagues, Mr. Speaker, have joined in promoting the establishment of a foundation to honor the principles which Senator Taft fought for during his lifetime. Wouldn't this issue of public housing be as good a place as any in which to honor the Senator's principles?

To me, Mr. Speaker, there is no more fitting tribute to be paid to a leader who has passed on than to build in his memory the kind of monuments that provide happiness for people. And there is nothing which is more conducive to happiness for American families than a decent home environment in which to raise children.

I respectfully suggest to my Republican colleagues, Mr. Speaker, that they forget their animosity to the public housing program, and forego the pleasure they may get out of killing the public housing program, in order to honor the late Senator Taft by continuing a program of government in which he deeply believed—a program of government which brings happiness to families now living in indescribable conditions of misery and poverty and dirt.

I shall vote to recommit the bill to conference to restore the public housing program, and I hope enough of our Republican colleagues will join us in that—as a monument to Senator Taft—to enable us to save the small portion President Eisenhower has seen fit to recommend of the broad-scale humanitarian program enacted at President Truman's request in 1949 with Senator Taft's enthusiastic assistance.

Mr. HOWELL. Mr. Speaker, every recognized expert in the field of housing and municipal planning tells us that we have it within our power to rid the United States of substandard housing and provide decent homes for all of our people and to do it without straining our economy.

But it takes planning and it takes foresight. It takes boldness. There is none of that in this housing bill. This is a bill which sets as a goal the construction of 1 million homes a year of which only 35,000 units—for only 1 year—are to be public housing.

Will that solve our problems? The answer is very definitely, "No."

Recently, Dr. William L. C. Wheaton, University of Pennsylvania authority on city planning, reported to the National Housing Conference, that at a rate of 1 million new homes a year, our substandard housing units will never be replaced and we will have more substandard housing in 1970 than we had in 1950.

And even if we double the rate to 2 million units a year, and rehabilitate 400,000 additional units a year, he says that by 1970 an estimated 5 million American families will still be living in houses which were considered slums or substandard in 1950.

Yet we argue here over the meager 140,000 units of public housing which the President has recommended be started in the next 4 years. The die-hard opposition of the Republican leadership in the House Banking Committee shows up in this conference bill, for it allows only 35,000 units altogether, as a last

and final gasp for public housing, and then it is dead.

This is the third time we have argued out the public housing issue in the House in this session. First, it was on the appropriation rider, then on the omnibus housing bill, as it first went through the House, and now on the conference report on this bill. Each previous time, public housing has lost. The record is pretty clear that a majority of the majority party here is determined to kill public housing. It has in this conference bill one last chance in this Congress to hit the "sawdust trail," repent, and back up its own President in this matter. What will the answer be?

Will the House take the initiative now and recommend this bill with instructions to reinsert the Eisenhower public housing program? Or, will we wait for the Senate to take that action?

Are we going to jockey this thing around so much over the puny public housing program the President recommended that we jeopardize passage of the other features of the housing law and let all the FHA and VA housing programs expire at the end of this month?

A housing bill which does not include reasonable provisions for public housing is an incomplete housing bill. An incomplete housing bill may very well die in the adjournment rush. If that happens, the enemies of public housing will have won a hollow victory, for they will have destroyed the very foundation for the whole private enterprise housing industry in the United States.

It seems to me a pretty serious risk to take for people who profess to be concerned about private enterprise.

Mr. GRANAHAN. Mr. Speaker, I will vote to recommit the housing bill to restore the Senate provision dealing with public housing. This would provide the 35,000 units a year for 4 years which the President recommended. That is the very least Congress could provide and still pretend it was continuing public housing.

Talk and argument will not affect the outcome at this point. It is simply a question of whether President Eisenhower has lined up, or can line up, enough Republicans in the House to join with the Democrats in recomitting this bill.

Both in the 80th Congress and in this one, Republican majorities in the House have killed and buried public housing. If this bill passes in its present form, it will no longer be possible for those Republicans who support public housing to claim that their party as a party or any substantial part of it in the Congress believes in decent housing for low-income people.

Permitting only 35,000 units to be built and limiting those units only to families displaced by redevelopment, is not a public housing program but a device to end public housing altogether.

This is an issue the Democratic candidates in every urban area of the country—and in many rural areas too—will find made to order in November for a Democratic victory. It is the 80th Congress housing performance all over again.

Mr. BARRETT. Mr. Speaker, the reason I voted to recommit the Housing Act of 1954—H. R. 7839—is because it did not contain an adequate public-housing program. The President requested authorization for construction of 140,000 public housing units over a 4-year period. The measure reported to us today by the Senate-House conferees authorized only 35,000 units of public housing. I think H. R. 7839 should have been sent back to the conferees with instructions to amend section 101 to read as passed by the Senate and recommended by the President, that is, to authorize 140,000 public housing units so that the blighted areas of our large cities such as Philadelphia can be wiped out and decent homes established for our low income families.

Many sections of H. R. 7839 are advantageous to persons with much more comfortable standards of living. These inequities should be balanced by giving the poor and needy housing commensurate with the economic development of our country.

However, in view of the failure to recommit H. R. 7839 by a vote of 156 to 234, I have reluctantly voted in favor of passage of the Housing Act of 1954 so as not to deprive the larger cities of the Nation of the meager allocation of the public housing units which they will be authorized out of the 35,000 provided in this measure. I feel confident that if the persons who opposed the 140,000 units will, in the future, take a keener interest in the slum areas of the Nation they will regret their present opposition to public housing. I feel equally confident that the public will announce its displeasure with the Housing Act at the right time in November.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the conference report on the Housing Act of 1954, which is before us today, falls short of the provisions recommended and passed by the Senate before it went into conference. At that time the Senate had approved a bill providing for 35,000 public housing units per year for the next 4 years. The conferees have presented us with a measure which provides for only 35,000 public housing units for the next fiscal year. We are today asked to vote for passage of this legislation.

This act first passed the House 3 months ago with no provision for the construction of public housing units after this year. This action was taken in spite of the fact that the Committee on Banking and Currency had recommended that 20,000 units be built in the coming year, and in spite of the fact that President Eisenhower, following the pattern set by his Democratic predecessor, had asked for the approval of 35,000 units per year for the next 4 years. The Senate approved a measure which included this latter provision. The bill went to conference with no disagreement on this very important feature of the bill.

It is vitally necessary to the stable economy of the Nation that the low-rent public-housing program be continued. Healthy citizens need healthy atmospheres. Since 1923 our population has increased by almost 50 million. Obviously housing requirements have increased proportionately. But housing construction even at this time does not appear to make adequate provision for those desperately in need of housing. Furthermore, new private housing costs are extremely prohibitive to a great many people, and particularly to the people of my district. In Philadelphia alone, an average price for a new home privately constructed is in the neighborhood of $11,500. Rental costs generally start at about $80 a month in a privately owned apartment development. While these figures may seem to be reasonable to many of us, they are exorbitant to low-income families who are necessarily forced to live in old, substandard housing units in which conditions are often deplorable. Many of my constituents live in crowded dwellings, some of which have none of the sanitary facilities which you and I take for granted. There are no yards or play areas surrounding such places, and thus our youngsters are forced to amuse themselves along the streets and alleys of the city. This is a major cause of the high crime rate and the high incidence of juvenile delinquency. Surely none would deny that such an atmosphere is not conducive to a physically and emotionally stable family life.

Low-rent public-housing and the slum-clearance program go hand in hand to contribute to a better America. Good housing makes good citizens. I am proud to be able to vote for it and hope to see it a reality in the not-too-distant future.

Mr. ELLIOTT. Mr. Speaker, I shall vote to recommit the conference report on housing, with instructions to the conferees that the bill be brought back with President Eisenhower's program for at least 35,000 units of public housing written into the bill.

The bill before us speaks of public housing, but actually there is no public housing in the bill.

The public housing in the bill is housing in name only. It is so surrounded with restrictions and limitations that it amounts to no housing.

Under the Housing Act of 1949, 22 housing projects were constructed in the Seventh Congressional District of Alabama. These 22 projects are located in the following 18 towns: Bear Creek, Boston, Carbon Hill, Cordova, Cullman, Guin, Hackleburg, Haleyville, Hamilton, Jasper, Millport, Oneonta, Phil Campbell, Red Bay, Reform, Russellville, Vernon, and Winfield.

Seven hundred and thirty-eight units of housing have been constructed in these towns. They cost about $7 million.

Program reservations are pending for the building of 44 units in Aliceville, Ala.; 24 units in Berry, Ala.; 4 units in Winfield, Ala.; 12 units in Hanceville, Ala.; 4 units in Oneonta, Ala.; 16 units in Vernon, Ala.; and 8 units in Haleyville, Ala.

All activities on these programs were suspended during the fiscal year just ended, because of the restrictions which this Congress wrote into the Independent Offices Appropriation Act for the 1954 fiscal year.

Now, with the restrictions written into the bill before us, there will be no chance

to build these projects in the 1955 fiscal year.

Also, Dora, Ala., has applied for 60 units; Oakman for 60; Sulligent for 60; and Cullman for 70 additional units. Under the restrictions written into the conference report before us none of these can be approved or built.

Mr. Speaker, all across this country local communities have made their applications for public housing. The development program leading to construction has gone so far, in many cases, that the actual site for construction has been approved. If the majority party is bent on killing public housing, it should at least allow construction of all projects that have gone this far.

I think this program should go forward. The need for public housing is just about as great in America today as it ever was. We have barely scratched the surface in most of the country.

I am also disappointed that there is nothing in the bill before us carrying on the direct-loan program for veterans' housing. I understand, however, that it will come to us later in a separate bill. This Congress should not adjourn until it has provided more money for this program.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. SPENCE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. SPENCE. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. SPENCE moves to recommit the conference report on the bill H. R. 7839 to the committee of conference with instructions to the managers on the part of the House to include in such report, in lieu of section 401 (1) thereof, a provision carrying out the 4-year program for 140,000 new public housing units as set forth in the President's housing message submitted to the Congress on January 25, 1954.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SPENCE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 156, nays 234, not voting 44, as follows:

[Roll No. 107]

YEAS—156

Addonizio	Bray	Cretella
Albert	Brooks, Tex.	Crosser
Aspinall	Buchanan	Curtis, Mass.
Auchincloss	Burdick	Dague
Ayres	Byrd	Dawson, Ill.
Bailey	Byrne, Pa.	Deane
Baker	Canfield	Delaney
Barrett	Cannon	Dollinger
Bender	Carnahan	Donohue
Blatnik	Carrigg	Donovan
Boggs	Celler	Dorn, N. Y.
Boland	Chelf	Doyle
Bolling	Chudoff	Eberharter
Bolton, Frances P.	Condon	Edmondson
Bowler	Corbett	Elliott
	Coudert	Engle
Feighan	Kirwan	Reams
Fine	Klein	Rhodes, Pa.
Fino	Kluczynski	Robsion, Ky.
Fogarty	Lane	Rodino
Forand	Lantaff	Rogers, Colo.
Frelinghuysen	Lesinski	Rogers, Mass.
Friedel	McCarthy	Rooney
Fulton	McCormack	Roosevelt
Garmatz	Machrowicz	Sadlak
Goodwin	Mack, Ill.	St. George
Gordon	Madden	Saylor
Granahan	Magnuson	Scott
Green	Marshall	Seely-Brown
Hagen, Minn.	Merrow	Shelley
Halleck	Metcalf	Spence
Hand	Miller, Kans.	Springer
Harden	Mollohan	Staggers
Hart	Morano	Steed
Hays, Ark.	Morgan	Sullivan
Hays, Ohio	Moss	Taylor
Heselton	Moulder	Thornberry
Holifield	Multer	Tollefson
Holmes	Natcher	Trimble
Holtzman	O'Brien, Ill.	Wainwright
Howell	O'Brien, Mich.	Walter
Javits	O'Brien, N. Y.	Wampler
Johnson, Wis.	O'Hara, Ill.	Widnall
Jones, Ala.	O'Konski	Wier
Judd	O'Neill	Wigglesworth
Karsten, Mo.	Patterson	Williams, N. J.
Kean	Pfost	Withrow
Kearney	Polk	Wolverton
Kee	Price	Yates
Kelley, Pa.	Rabaut	Yorty
Kelly, N. Y.	Radwan	Zablocki
Keogh	Rains	
King, Calif.	Rayburn	

NAYS—234

Abbitt	Dies	Knox
Abernethy	Dolliver	Krueger
Adair	Dondero	Laird
Alexander	Dorn, S. C.	Landrum
Allen, Calif.	Dowdy	Lanham
Allen, Ill.	Durham	Latham
Andersen, H. Carl	Ellsworth	LeCompte
	Evins	Lipscomb
Andresen, August H.	Fenton	Lovre
	Fernandez	McConnell
Andrews	Ford	McCulloch
Arends	Forrester	McDonough
Ashmore	Fountain	McIntire
Bates	Frazier	McMillan
Battle	Gamble	McVey
Beamer	Gary	Mack, Wash.
Becker	Gathings	Mahon
Bennett, Fla.	Gavin	Martin, Iowa
Bennett, Mich.	Gentry	Mason
Bentley	George	Matthews
Bentsen	Golden	Meader
Berry	Graham	Merrill
Betts	Gregory	Miller, Md.
Bishop	Gross	Miller, Nebr.
Bolton, Oliver P.	Gubser	Miller, N. Y.
	Gwinn	Mills
Bonin	Hagen, Calif.	Mumma
Bonner	Hale	Murray
Bosch	Haley	Neal
Bow	Hardy	Nelson
Bramblett	Harrison, Nebr.	Nicholson
Brown, Ga.	Harrison, Va.	Norblad
Brown, Ohio	Harvey	Norrell
Brownson	Hébert	Oakman
Broyhill	Herlong	O'Hara, Minn.
Budge	Hiestand	Ostertag
Burleson	Hill	Passman
Busbey	Hillelson	Pelly
Bush	Hillings	Phillips
Byrnes, Wis.	Hinshaw	Pilcher
Campbell	Hoeven	Pillion
Carlyle	Hoffman, Ill.	Poage
Cederberg	Hoffman, Mich.	Poff
Chatham	Holt	Preston
Chenoweth	Hope	Priest
Church	Horan	Prouty
Clardy	Hosmer	Ray
Clevenger	Hruska	Reece, Tenn.
Cole, Mo.	Hunter	Reed, Ill.
Cole, N. Y.	Hyde	Reed, N. Y.
Colmer	Ikard	Rees, Kans.
Cooley	Jackson	Rhodes, Ariz.
Coon	James	Richards
Cooper	Jarman	Riehlman
Cotton	Jenkins	Riley
Crumpacker	Jensen	Rivers
Cunningham	Johnson, Calif.	Roberts
Curtis, Mo.	Jonas, Ill.	Robeson, Va.
Davis, Ga.	Jonas, N. C.	Rogers, Fla.
Davis, Tenn.	Jones, Mo.	Rogers, Tex.
Davis, Wis.	Jones, N. C.	Schenck
Dawson, Utah	Kearns	Scherer
Dempsey	Keating	Scrivner
Derounian	Kilburn	Scudder
Devereux	Kilday	Selden
D'Ewart	King, Pa.	Shafer
Sheehan	Thomas	Wharton
Sheppard	Thompson, Mich.	Whitten
Shuford	Tuck	Wickersham
Simpson, Ill.	Utt	Williams, Miss.
Small	Van Pelt	Williams, N. Y.
Smith, Kans.	Van Zandt	Wilson, Calif.
Smith, Miss.	Velde	Wilson, Ind.
Smith, Va.	Vinson	Wilson, Tex.
Smith, Wis.	Vorys	Winstead
Stauffer	Vursell	Wolcott
Stringfellow	Warburton	Young
Taber	Watts	Younger
Talle	Westland	
Teague		

NOT VOTING—44

Angell	Harrison, Wyo.	Philbin
Barden	Heller	Powell
Belcher	Hess	Regan
Boykin	Kersten, Wis.	Secrest
Brooks, La.	Long	Short
Buckley	Lucas	Sieminski
Camp	Lyle	Sikes
Chiperfield	McGregor	Simpson, Pa.
Curtis, Nebr.	Mailliard	Sutton
Dingell	Miller, Calif.	Thompson, La.
Dodd	Morrison	Thompson, Tex.
Fallon	Osmers	Weichel
Fisher	Patman	Wheeler
Grant	Patten	Willis
Harris	Perkins	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Morrison for, with Mr. Wheeler against.
Mr. Buckley for, with Mr. Camp against.
Mr. Heller for, with Mr. Barden against.
Mr. Dodd for, with Mr. Regan against.
Mr. Perkins for, with Mr. Lyle against.
Mr. Dingell for, with Mr. Fisher against.
Mr. Powell for, with Mr. McGregor against.
Mr. Sieminski for, with Mr. Sikes against.
Mr. Angell for, with Mr. Osmers against.
Mr. Kersten of Wisconsin for, with Mr. Hess against.
Mr. Philbin for, with Mr. Harrison of Wyoming against.
Mr. Patman for, with Mr. Lucas against.
Mr. Miller of California for, with Mr. Thompson of Louisiana against.
Mr. Patten for, with Mr. Willis against.
Mr. Secrest for, with Mr. Boykin against.

Until further notice:

Mr. Simpson of Pennsylvania with Mr. Fallon.
Mr. Short with Mr. Grant.
Mr. Chiperfield with Mr. Harris.
Mr. Belcher with Mr. Brooks of Louisiana.
Mr. Curtis of Nebraska with Mr. Long.
Mr. Mailliard with Mr. Thompson of Texas.
Mr. Weichel with Mr. Sutton.

Mrs. ST. GEORGE changed her vote from "nay" to "yea."

Mr. BURDICK changed his vote from "nay" to "yea."

Mr. HAGEN of Minnesota changed his vote from "nay" to "yea."

Mr. MILLER of New York changed his vote from "yea" to "nay."

Mr. ROGERS of Texas changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the conference report.

Mr. GAMBLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 358, nays 30, not voting 46, as follows:

[Roll No. 108]

YEAS—358

Abbitt	Albert	Allen, Ill.
Adair	Alexander	Andersen, H. Carl
Addonizio	Allen, Calif.	

Andresen, August H.	Fino	McVey
Andrews	Fogarty	Machrowicz
Arends	Forand	Mack, Ill.
Ashmore	Ford	Mack, Wash.
Aspinall	Forrester	Madden
Auchincloss	Fountain	Mahon
Ayres	Frazier	Marshall
Bailey	Frelinghuysen	Martin, Iowa
Baker	Friedel	Matthews
Barrett	Fulton	Meader
Bates	Gamble	Merrill
Battle	Garmatz	Merrow
Beamer	Gary	Miller, Kans.
Becker	Gathings	Miller, Nebr.
Belcher,	Gavin	Miller, N. Y.
Bender	Gentry	Mills
Bennett, Fla.	George	Mollohan
Bennett, Mich.	Golden	Morano
Bentley	Goodwin	Morgan
Bentsen	Gordon	Moss
Berry	Graham	Moulder
Betts	Granahan	Mumma
Blatnik	Green	Murray
Boggs	Gregory	Natcher
Boland	Gross	Neal
Bolton, Frances P.	Gubser	Nelson
	Hagen, Calif.	Nicholson
Bolton, Oliver P.	Hagen, Minn.	Norblad
	Hale	Norrell
	Haley	Oakman
Bonin	Halleck	O'Brien, Ill.
Bonner	Hand	O'Brien, Mich.
Bosch	Harden	O'Brien, N. Y.
Bow	Hardy	O'Hara, Ill.
Bowler	Harrison, Nebr.	O'Hara, Minn.
Bramblett	Harrison, Va.	O'Konski
Bray	Hart	O'Neill
Brooks, Tex.	Harvey	Ostertag
Brown, Ga.	Hays, Ark.	Passman
Brown, Ohio	Hays, Ohio	Patterson
Brownson	Hébert	Pelly
Broyhill	Heselton	Pfost
Budge	Hiestand	Phillips
Burdick	Hill	Pilcher
Burleson	Hillelson	Pillion
Byrd	Hillings	Poage
Byrne, Pa.	Hinshaw	Poff
Byrnes, Wis.	Hoeven	Polk
Campbell	Hoffman, Ill.	Preston
Canfield	Hoffman, Mich.	Price
Cannon	Holifield	Priest
Carlyle	Holmes	Prouty
Carnahan	Holt	Rabaut
Carrigg	Holtzman	Radwan
Cederberg	Hope	Rains
Chatham	Horan	Ray
Chelf	Hosmer	Rayburn
Chenoweth	Howell	Reams
Chudoff	Hruska	Reece, Tenn.
Church	Hunter	Reed, Ill.
Clardy	Hyde	Rees, Kans.
Cole, Mo.	Ikard	Rhodes, Ariz
Cole, N. Y.	Jackson	Rhodes, Pa.
Condon	James	Richards
Cooley	Jarman	Riehlman
Coon	Jenkins	Riley
Cooper	Jensen	Rivers
Corbett	Johnson, Calif.	Roberts
Cotton	Johnson, Wis.	Robeson, Va.
Coudert	Jonas, Ill.	Robsion, Ky.
Cretella	Jonas, N. C.	Rodino
Crosser	Jones, Ala.	Rogers, Colo.
Crumpacker	Jones, Mo.	Rogers, Fla.
Cunningham	Jones, N. C.	Rogers, Mass.
Curtis, Mo.	Judd	Rogers, Tex.
Dague	Karsten, Mo.	Sadlak
Davis, Ga.	Kean	St. George
Davis, Tenn.	Kearney	Saylor
Davis, Wis.	Kearns	Schenck
Dawson, Ill.	Keating	Scherer
Dawson, Utah	Kee	Scott
Deane	Kilburn	Scrivner
Delaney	Kilday	Scudder
Dempsey	King, Calif.	Seely-Brown
Derounian	King, Pa.	Selden
Devereux	Kirwan	Shafer
D'Ewart	Kluczynski	Sheehan
Dies	Knox	Shelley
Dolliver	Krueger	Sheppard
Dondero	Laird	Shuford
Donohue	Landrum	Simpson, Ill.
Donovan	Lane	Small
Dorn, N. Y	Lanham	Smith, Kans.
Dorn, S. C.	Lantaff	Smith, Miss.
Dowdy	Latham	Smith, Va.
Doyle	LeCompte	Smith, Wis.
Durham	Lesinski	Springer
Edmondson	Lipscomb	Staggers
Elliott	Lovre	Stauffer
Ellsworth	McCarthy	Steed
Engle	McConnell	Stringfellow
Evins	McCulloch	Sullivan
Feighan	McDonough	Taber
Fenton	McIntire	Talle
Fernandez	McMillan	Taylor
Thomas	Vursell	Williams, N. J.
Thompson, Mich.	Wainwright	Williams, N. Y.
	Walter	Wilson, Calif.
Thornberry	Wampler	Wilson, Ind.
Tollefson	Warburton	Wilson, Tex.
Trimble	Watts	Withrow
Tuck	Westland	Wolcott
Utt	Wharton	Wolverton
Van Pelt	Whitten	Yates
Van Zandt	Wickersham	Yorty
Velde	Widnall	Young
Vinson	Wier	Younger
Vorys	Wigglesworth	Zablocki

NAYS—30

Abernethy	Fine	Miller, Md.
Bishop	Javits	Multer
Bolling	Kelley, Pa.	Patten
Buchanan	Kelly, N. Y.	Reed, N. Y.
Busbey	Keogh	Rooney
Celler	Klein	Roosevelt
Colmer	McCormack	Spence
Curtis, Mass.	Magnuson	Teague
Dollinger	Mason	Williams, Miss.
Eberharter	Metcalf	Winstead

NOT VOTING—46

Angell	Harris	Philbin
Barden	Harrison, Wyo.	Powell
Boykin	Heller	Regan
Brooks, La.	Herlong	Secrest
Buckley	Hess	Short
Bush	Kersten, Wis.	Sieminski
Camp	Long	Sikes
Chiperfield	Lucas	Simpson, Pa.
Clevenger	Lyle	Sutton
Curtis, Nebr.	McGregor	Thompson, La.
Dingell	Mailliard	Thompson, Tex.
Dodd	Miller, Calif.	Weichel
Fallon	Morrison	Wheeler
Fisher	Osmers	Willis
Grant	Patman	
Gwinn	Perkins	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Simpson of Pennsylvania with Mr. Morrison.

Mr. Short with Mr. Perkins.

Mr. Hess with Mr. Herlong.

Mr. McGregor with Mr. Boykin.

Mr. Osmers with Mr. Camp.

Mr. Gwinn with Mr. Fisher.

Mr. Harrison of Wyoming with Mr. Thompson of Louisiana.

Mr. Weichel with Mr. Willis.

Mr. Bush with Mr. Thompson of Texas.

Mr. Angell with Mr. Lucas.

Mr. Kersten of Wisconsin with Mr. Patman.

Mr. Curtis of Nebraska with Mr. Lyle.

Mr. Chiperfield with Mr. Barden.

Mr. Clevenger with Mr. Regan.

Mr. Mailliard with Mr. Miller of California.

Mr. ROONEY changed his vote from "yea" to "nay."

Mr. HOLTZMAN and Mr. CANFIELD changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9936, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 16 on page 5 of the bill.

Mr. TALLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TALLE: On page 5, after line 17, insert the following new headings and new paragraphs:

"BUREAU OF THE CENSUS

"CENSUSES OF BUSINESS, MANUFACTURES AND MINERAL INDUSTRIES

"For expenses necessary for taking, compiling, and publishing the censuses of business, manufactures, and mineral industries, as authorized by law, $8,430,000."

Mr. TALLE. Mr. Chairman, my purpose in offering this amendment is to restore to the bill the amount asked by the President for the censuses of business, manufactures, and mineral industries.

I regret that the Appropriations Committee has not seen fit to recommend the appropriation of the $8,430,000 which the President requested to conduct censuses of business, manufactures, and mineral industries for 1954. These basic records of the business activities of our country are required for the efficient management of American industry and Government. This view was strongly supported by evidence provided at the recent hearings of the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report. This subcommittee, which consists of Senator CARLSON, Congressman BOLLING, and myself as chairman, held hearings on July 12 and July 13. The witnesses heard included representatives of many important busines organizations and the Government agencies particularly concerned with business conditions.

The witnesses pointed out the important role played by statistics in the management of the affairs of the economy and of their particular businesses. They described the crucial role that is being played by the Census benchmarks. They pointed out that the whole structure of monthly statistics is deteriorating in quality because the basic benchmark records in the fields of manufactures, mineral industries, wholesale trade, retail trade, and services were already more than 5 years old. They indicated that recent gaps in the statistical records are impairing the ability of the Government and of business concerns to make prompt and sound decisions regarding economic policies. Major decisions are being made almost daily which involve very large sums of money, amounts which make funds actually required to provide the statistics needed for better decisions seem trivial.

Witness after witness repeated that the most urgent requirement in the Federal economic statistics program is to provide basic benchmark records, urging that Congress appropriate funds for censuses of business, manufactures, and mineral industries covering the year 1954. Persons testifying on subjects only indirectly related to these censuses went to great length to call to the attention of our committee the need for the censuses. The report of the Intensive Review Committee of the Secretary of

Commerce was frequently cited as further evidence of the very widespread demand for these censuses. The Bureau of the Budget, which submitted the request for these funds, the Council of Economic Advisers, which strongly supported the required legislation only recently passed, and other agencies of the Federal Government, including the Department of Commerce and the Department of Labor, emphasized the critical need for the census benchmarks as a basis for their own statistical requirements.

Authorizing legislation already enacted provides for censuses of business, manufactures, and mineral industries covering 1954. The next censuses provided for by this legislation would cover 1958. If funds are not appropriated for the 1954 censuses, a 10-year gap in the basic statistical record of the United States would be created. The latest of these censuses covered 1948.

Mr. Chairman, the hearings of the Subcommittee on Economic Statistics held last week attracted widespread favorable comments. The one point on which all of the witnesses were in agreement was that the censuses should be taken immediately.

Mr. Chairman, may I summarize briefly the steps leading up to my amendment. Members will recall the passage of the Reorganization Act of 1946, which was put into effect during the 80th Congress in 1947. The late Senator Taft in 1948 pointed out the need for improved statistics. On February 27, 1954, the Joint Committee on the Economic Report issued its report containing a recommendation that two subcommittees be named to carry on special studies. One of these was the Subcommittee on Statistics, and I was named chairman.

My colleagues, Senator FRANK CARLSON and Representative RICHARD BOLLING, and I proceeded to do a job. We had worked and planned for months when on July 12 and 13, Monday and Tuesday of last week, we had before us a considerable array of eminent witnesses—from the Bureau of the Budget; the Council of Economic Advisors; the Census Bureau; Agriculture; the Office of Statistical Standards; the Bureau of Labor Statistics; the Federal Reserve Board; and the Department of Commerce.

In addition we heard a panel of 12 witnesses who came from various parts of our country to speak for private business, agriculture, labor, manufacturing and processing, research—users of statistics, capable persons of great scholarship and special knowledge in this field. Our purpose was to see to it that in an important matter of this kind we might have the combined cooperative effort of the executive department, the legislative department, and private business. All of those witnesses said, "For the first time Congress is doing something to help us in our difficult field." Mr. Chairman, there is no substitute for knowledge. We need more knowledge, accurate knowledge; and up-to-date knowledge. Therefore they were exceedingly enthusiastic. There was not an empty chair in that room during those 2 days, in spite of the fact that no one will contend there is any romance in statistics.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Missouri.

Mr. BOLLING. I would like to compliment the gentleman for offering this amendment and associate myself with him, strongly feeling that this is vital not only to the executive branch but to the Congress. If we do not have the knowledge which this census and other censuses will give us, we cannot possibly make sound decisions. I congratulate the gentleman for offering the amendment.

Mr. TALLE. I thank the gentleman. The gentleman was present throughout our 2 days of hearings and is a valuable member of the subcommittee.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from New York.

Mr. ROONEY. I wish to commend the gentleman from Iowa upon his statement here today, and to assure him, as I said I would yesterday, of my support of the pending amendment to restore the funds for this necessary census of business, manufactures, and mineral industries. However, I am never greatly impressed by any intensive review committee and some of the other authorities that the gentleman mentions. Also, may I say that I am not so sure that the full amount of $8 million and more should be allowed for this purpose, but I am in sympathy with the gentleman's position in proposing that this census, worthwhile and necessary, should be carried on.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from New York.

Mr. JAVITS. I would like to support the gentleman's position and say that I shall support the amendment, and to point out to Members who are looking for industries in their communities, that is, communities which are underdeveloped, how vitally important this is to them to have these new censuses of this character, in showing their ability to meet their needs.

Mr. TALLE. I thank the gentleman.

The time is here for taking thought, for neither government nor private business can make intelligent decisions, without having accurate, up-to-date statistical data. I urge the adoption of my amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will only briefly take this opportunity to confirm everything the gentleman from Iowa [Mr. TALLE] has said. It will be recalled that when we adopted the report of the Joint Committee on the Economic Report we were given a job to do by the Congress. That is in statistical research. In keeping with that report, it was my pleasure, as chairman of the Joint Committee on the Economic Report, to name the gentleman from Iowa [Mr. TALLE], as chairman of that subcommittee. We did it with the realization that it was in good hands; with the realization that without this statistical information which would be made possible by the resumption of this effort and the restoration of this amount, we could not hope to create a climate in which we could have an ever-expanding economy that we always strive for.

I am in hearty support of the gentleman's amendment, and I hope it will be adopted.

Mr. TABER. Mr. Chairman, I wonder if we could not get an agreement as to time on this amendment and all amendments thereto.

I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes. The gentleman from Ohio [Mr. CLEVENGER] wants 5 minutes and I want 5.

Mr. ROONEY. Mr. Chairman, reserving the right to object, I would suggest to the gentleman that he make it 10 minutes.

Mr. TABER. All right. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Ohio [Mr. CLEVENGER] is recognized.

Mr. CLEVENGER. Mr. Chairman, I might say that this matter of censuses has received considerable attention over the years that I have been on this committee, and one of the things that has exercised us most is the long delay in making the figures available to the industries which find uses for them. It is often—and more often than not—2 years and 3 years after the taking of the census before the figures are available to the trade. We have tried every way we can think of to energize and wake up the Bureau of the Census, but it seems to have fallen into a moribund state where time seems to be of no interest to them as to when these figures are available.

We have some of the most grotesque testimonies. I have one here, a letter, addressed to the chairman of the full committee from a manufacturer of ladies' brassieres. Now, you know he says something about false economy. Well, as a long-time manager of department stores I always thought there was something false about the brassiere business. He claims the necessity for these figures in order to divide up his territory and plan for the marketing of brassieres. I thought you could maybe take the population census and multiply it by two and could perhaps tell.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. ROONEY. I do not wish to discuss the matter the gentleman is now referring to, for I feel he knows much more about it than I, but I do want to point out that a Member just asked me where in this bill—he had a copy of it in his hand—he could find this matter of the Bureau of the Census, and I had to

inform him that he just will not find it in this bill.

Mr. CLEVENGER. That is right, Mr. Chairman. Last year we came down here and I got along with the paramount job we had to do, cutting out nonessentials and balancing the budget. We made great progress last year, but this year we seem to have no luck in the Bureau of the Budget in backing up the efforts of this committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. CLEVENGER. I cannot yield again; I have only 5 minutes.

Mr. ROONEY. I would agree to extend the gentleman's time if it were within my power.

Mr. CLEVENGER. I yield briefly.

Mr. ROONEY. I want to say that the gentleman from Ohio [Mr. CLEVENGER] is a very, very sincere Member of Congress with whom I have served on this committee for 10 years. He always says what he means. He has cut the items which are within his jurisdiction in this bill by 82 percent, and that indicates his consistent approach to appropriation requests over the years. I have disagreed with him with regard to many items as we have gone along over the years, but I do want to point out that he has been as consistent as he ever was in denying 82 percent of the funds President Eisenhower has requested in the instant bill.

Mr. CLEVENGER. I want to remind the gentleman from New York that the change of terminology from deficiency bill to supplemental came about because the word deficiency got rather unpopular. Then they began to call them supplementals. I remember well what the gentleman from Cotuit, Mass., had to say one day when he took the well of the House—Charlie Gifford. He said: "Little supplement, don't you cry; you will be a deficit by and by."

I just want to tell you that budgets are not balanced by any other method than deciding what we can live without. What would you do in your own case and in your own household in passing on this stuff when you realize that every dollar that you now spend is deficit spending and must be laid on the shoulders of generations yet unborn? We have 7,000 little new Americans every morning. You have $278 billion dollars resting on these defenseless little children. I want to see the time come soon when a man will be glorified and not subsidized, when a baby can be born without being swathed in a wet blanket of debt, deficit, and despair.

Mr. Chairman, may I say further that the recommendations of the board appointed by the President to study the census has recommended $228 million for the next 10 years.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. ROONEY. The distinguished gentleman from Ohio is always sincere and consistent. May I remind him of the fact that the very people who are now lobbying for this particular item are the same people who gave support to the gentleman's party who then advocated a balanced budget and the denial of many, many such items as this. Now they find they cannot do without many of these millions.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, we ought to be fair in this situation. I received a visit from a very distinguished economist. I have heard his name mentioned before this morning on the floor of the House. I asked him what he thought about this proposed business census and he told me, frankly, that it might have some historic value but as far as being of use to business—no.

Instead of taking 6 months to get this material together and having it available for business, it takes 3 years. Are we going to be so simple that we are about to start on a business census that will take 3 years to get it out and get it in shape for use of business and the trade? Those things ought to be taken care of insofar as they can be, but such things that have just historic value only have no place in the Department of Commerce appropriation bill and I hope the pending amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TALLE].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 28, noes 81.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Land acquisition, additional Washington Airport," for payment of deficiency judgments rendered by United States District Courts, $16,297, together with such amounts as may be necessary to pay interest as specified in such judgments.

Mr. PRESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: On page 6, line 8, after the period, insert the following: "For carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended (except sec. 5 (a)), to remain available until June 30, 1958, $22 million, of which (1) $20 million shall be for projects in the States in accordance with section 6 of said act, (2) $250,000 for projects in Puerto Rico, (3) $50,000 for projects in the Virgin Islands, (4) $225,000 for projects in the Territory of Hawaii, (5) $225,000 for projects in the Territory of Alaska, and (6) $1,250,000 shall be available as one fund for necessary planning, research, and administrative expenses (including not to exceed $125,000 for transfer to the appropriation 'Salaries and expenses, Civil Aeronautics Administration,' for necessary administrative expenses, including the maintenance and operation of aircraft): *Provided*, That the appropriation granted under this head for fiscal year 1953 is hereby merged with this appropriation and the contract authorization heretofore granted for the foregoing purposes may hereafter be accounted for under this head: *Provided further*, That the amount made available herein for administrative expenses shall be in addition to the amount made available for such purposes in the Department of Commerce Appropriation Act, 1955."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The amendment contains legislation on an appropriation bill and it provides for things not authorized by law and it changes existing law.

The CHAIRMAN. Does the gentleman from Georgia desire to be heard?

Mr. PRESTON. Mr. Chairman, I cannot be heard on the point of order or respond to it until the gentleman from New York is more specific in his point of order.

Mr. TABER. I thought I had been quite specific, in that it is legislation on an appropriation bill and that it changes existing law and provides for things not authorized by law. It provides specifically for the merger of an appropriation made in 1953. It provides for many other things, including language "to remain available until June 30, 1958." There are several other items that I think are very questionable.

Mr. PRESTON. Mr. Chairman, the language contained in this amendment is the language taken from the committee print. At no point in the amendment does it actually legislate. Particularly, the reference made by the gentleman from New York refers specifically to the control of the funds in the amendment. It is in complete compliance with the Federal Airport Act of 1946 and is language that has been carried in appropriation bills heretofore. It is never, in my judgment, legislation on an appropriation bill to fix the time for which the funds shall remain available. Now, the comments made by the gentleman from New York in support of his point of order are so general in nature that it is difficult to respond specifically except to the broad specification that it is legislation on an appropriation bill. I insist there is no legislation in the amendment, but the language is either of a restrictive or limiting form or of a descriptive nature which provides how the funds shall be used and for how long.

The CHAIRMAN. Does the gentleman from New York [Mr. TABER] desire to be heard further?

Mr. TABER. Mr. Chairman, simply to say that there is no question but that there is a change in the law relating to the 1953 appropriation. When the gentleman says that the item shall carry through to June 30, 1958, that is not authorized by law and is legislation.

The CHAIRMAN. Does the gentleman from Georgia [Mr. PRESTON] desire to be heard further?

Mr. PRESTON. Mr. Chairman, I fail to understand how language fixing the time for which an appropriation shall be made available is legislation. The money was authorized in 1946—$520 million. We are now making the funds available under that authorization and in so making them available we simply say that this money shall be available until that particular date.

I take the position that it is clearly not legislation, because the original act, passed in 1946, authorized the funds and placed no limitation on the length of time that the funds could be used. It is a very common practice in appropriation bills to provide that "funds appropriated herein shall be made available until expended." So that if an indefinite time can be established, such as the lan-

guage "to remain available until expended," then clearly a definite time would not be in a different category or in a different status.

Mr. EBERHARTER. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. Briefly; yes.

Mr. EBERHARTER. May we not require the gentleman from New York [Mr. TABER] to read the language in the amendment which is not authorized by law?

The CHAIRMAN. What was the question?

Mr. EBERHARTER. To require the gentleman from New York [Mr. TABER] to read the language in the amendment of the gentleman from Georgia [Mr. PRESTON] which is not the authority for the appropriation?

The CHAIRMAN. The Chair is ready to rule.

Mr. PRESTON. Mr. Chairman, I ask unanimous consent to withdraw the amendment I have offered and to offer another amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: On page 6, line 8, add:

"CIVIL AERONAUTICS ADMINISTRATION—FEDERAL-AID AIRPORT PROGRAM, FEDERAL AIRPORT ACT

"For carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended (except section 5 (a)), $22, million, of which (1) $20 million shall be for projects in the States in accordance with section 6 of said act, (2) $250,000 for projects in Puerto Rico, (3) $50,000 for projects in the Virgin Islands, (4) $225,000 for projects in the Territory of Hawaii, (5) $225,000 for projects in the Territory of Alaska, and (6) $1,250,000 shall be available as one fund for necessary planning, research, and administrative expenses (including not to exceed $125,000 'Civil Aeronautics Administration,' for necessary administrative expenses, including the maintenance and operation of aircraft): *Provided* That the amount made available herein for administrative expenses shall be in addition to the amount made available for such purposes in the Department of Commerce Appropriation Act, 1955."

Mr. PRESTON. Mr. Chairman, it is hard to get around the gentleman from New York [Mr. TABER]. He has been here a long time. But I want to say one thing about him, he is one of the most estimable gentlemen in this House, and I am very, very fond of him.

The gentleman from New York realizes, of course, that this amendment has a great deal of popular appeal. To have him make a point of order against the amendment was not entirely unexpected. It has popular appeal because the amendment simply keeps faith with what the Congress has promised the people. It simply carries on what we have been doing since 1946, when the authorization act was passed making it in order to appropriate up to $520 million on a matching 50–50 basis with the communities for airport development.

Last year when the new administration came in the Secretary of Commerce decided that in studying his Department he should take a very careful look at this program and determine whether or not it was being administered properly and whether or not the funds were being used wisely, whether it was being carried out within the spirit of the act. Accordingly, an airport panel was appointed as a part of the Transportation Council appointed by this administration to make a very careful and exhaustive study of this program. It did so. It was composed of outstanding, very capable men. Their findings were summed up as follows:

Hence the panel concludes that the Federal Government should participate with local governments in the construction and development generally on a 50–50 basis of civil airports to the extent that these airports serve the national interest.

So that is why this amendment is here today.

After this report was filed the President of the United States, through the Bureau of the Budget, sent a request to the Congress for $22 million, a rather modest sum, as a matter of fact, when compared with the needs. The Commerce Department requested $32 million of the Bureau of the Budget but they cut it down to $22 million, the hard figure that the Bureau of the Budget decided could be used during this present fiscal year in order to carry on airport development.

The tragic thing about this 1-year delay in this program is that many communities have issued bonds and sold them, believing that funds would be available during the fiscal year 1954, just as they had in prior years, to match the proceeds from the sale of bonds. Those funds are now in the banks. Interest is being paid on the bonds. The funds cannot be used because the bonds were sold conditioned on the fact that the funds would be used to match Federal funds. So this request coming from the President as it does simply carries out the pledge the Congress made to the communities and to the airport authorities of the country in order that they might keep the airports of this country abreast of aviation development.

It is alarming to note that some of our airports at major cities cannot receive a 4-engined ship, and must confine the traffic to 2-engine ships. It is necessary to acquire land and clear rights-of-way in order that these planes can land in general, normal commerce.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Illinois.

Mr. BUSBEY. The gentleman mentioned the fact that people are paying interest on bonds that have been issued. What is the total amount of bonds that have been issued and what communities have issued those bonds?

Mr. PRESTON. I will be glad to furnish a list of the communities, but the sum is $102 million.

Mr. BUSBEY. Does the gentleman not have the list available?

Mr. PRESTON. Yes, I do. The gentleman may see it. I have it right here.

Mr. BUSBEY. Is the gentleman going to put it in the RECORD?

Mr. PRESTON. If the gentleman will come down to the well of the House, I can give it to him now so that he can look at it. I cannot ask permission to put it in the RECORD now because that permission must be obtained in the House. However, it is available for any Member to see, and I will be pleased to put it in the RECORD after the Committee rises and we go back into the House.

Mr. Chairman, this is not a giveaway program. This cannot truly be called a subsidy to any particular community. Our airports are national in nature. The airport such as the one at Atlanta, Ga., serves the entire southeastern part of the United States. The great airport at Chicago serves the Midwest, and the airports of New York City serve New England—they just do not serve the State of New York or the city of New York alone. They are national in nature.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. JUDD. I want to concur in what the gentleman is saying. The airports in the Twin Cities area of Minnesota are used to protect the whole central northern border of the United States against the major threat to our country that might come from the outside, namely, from across the North Pole. It is a national air center and must have national support.

Mr. PRESTON. There is no doubt about it. It is difficult to measure the importance of our great airports in our great cities.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. BOGGS. Is it not a fact that this program has been administered now for several years and the airports which need development now are being discriminated against, if this sum of money is not appropriated?

Mr. PRESTON. The gentleman is right. Many of the airports have received funds in the past since 1947 when $45 million were appropriated. In 1948, $32 million were appropriated. I ask that you adopt this amendment in the interest of making our country strong economically, as it should be.

Mr. JENKINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very glad that the distinguished gentleman from New York [Mr. TABER] raised a point of order so that we may now have clear sailing. Now, there should be no question of any issue in this case being improper from a parliamentary standpoint. It is just a simple question of are we going to do what we should do under the circumstances? Are we going to do this fairly and aboveboard or are we going to hide behind some technicality? Are we going to tell the people of these towns which have depended upon the promises of Federal officials and have gone to work and issued their bonds that we are going to do the right thing? In my section of the State of Ohio, in Scioto County, the representatives of the people came up to Washington and saw the proper authorities and got their instructions as to what to do, and then went back and voted $400,000 in bonds to build an airport. They did their part well and faithfully. The Government

authorities said, in effect, "We will match your money." These representatives at different times came to Washington to see about the matter, but they did not receive any money. They will not get it if the Congress does not give it to them, and if we do not do it in this bill today. You can hide behind excuses and say, "Oh, I want to save a lot of money," or "We have to balance the budget." But why do you not balance the budget with some of this money that we are sending somewhere else? You cannot tell the people in the town of Portsmouth to balance the budget with their $400,000. They have sold their bonds and the bonds are in the bank drawing interest, and the Government does not match the money that the Portsmouth people have put up. My friends, I think today we ought, if the Committee on Appropriations will not do it, we ought to instruct them to say to these people from Portsmouth and other places all over the country—and there are only about $80 million involved in this whole proposition—that we will meet our obligation. How are we going to look these people in the face? How am I going to go back again when I go home and give them these excuses? This airport for which I am making this appeal is not in my district, but it is very close to my district—close to where I was born and brought up. I know all about that section and I have lived much closer to it than the Member of this House who has the honor of representing that district.

What do they have in Scioto County that qualifies them for an airport? Someone might say that they live in the country. But, within 5 miles of this airport, there is the biggest atomic-energy plant in the United States employing nearly 15,000 men at the present time. I mean that the contractors who are building this gigantic plant are employing about 15,000 men in contruction work. There is a great big town springing up around the immense plant. These are great improvements plus the other improvements that are coming into that section. Those are additional reasons why this port is needed. The traffic that passes on the Ohio River in front of where this airport will be located is the heaviest traffic carried in a like distance in our whole country. While we live in the beautiful Ohio Valley we do not all live in the rural sections—we do not live in the brush. We live where an airport is needed. There are 750,000 people living within 60 miles of that proposed airport. I call upon this House now to help these people. They are not beggars. They have a right to be treated justly. When I go back among them I am going to tell them that I have appealed to the Congress of the United States not to do what the Committee on Appropriations wants to be done but what right and justice demands should be done. The gentleman from New York [Mr. TABER] is a grand man and so is the gentleman from Ohio [Mr. CLEVENGER]. I have voted with them many times for I have confidence in their honesty. This is not a matter of the honesty of these two fine men. It is a matter of their doing what should be done to fulfill the promises made by the Government officials to the effect that if the people of Scioto County, Ohio would bond themselves to the extent of $400,000 that the Government would match that amount which would then be enough to build the airport as they, the Government officials, wanted it built.

Mr. Chairman, I may appear to be a little vehement and a little loud in my expostulations, but I am so much disappointed because these people cannot get the relief to which they are entitled without some of us Congressmen who know the facts telling you about them. These people are doing right to bring their complaints to Congress. I feel it is my duty to help these people get their side of the story before the Congress. Nobody says there was not a valid understanding. In the gallery today there sit some Government officials connected with the Department of Civil Aeronautics. They know all about this problem. They have been before the Appropriations Committee and they have told their story. Mr. Chairman there is nothing else to do, but for the Government to pay up. Let us be honest and sincere, before we are too economical. We must be just. Let us pay our own debts to our own people before we are too generous to the other peoples of the world.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from South Dakota.

Mr. LOVRE. Mr. Chairman, I rise urging that the House consider the replacing of $22 million in this bill for the Federal-aid-to-airport program. I think it is essential that these funds be included in this supplemental appropriations bill.

I was interested in turning back to the CONGRESSIONAL RECORD of March 3, 1954, when the regular State, Justice, and Commerce Department appropriation bill was up. Those opposed to the Federal-aid-to-airport program put great faith in the fact that there was no budget request for this program. Time after time, they countered arguments with, "Well, it was not in the budget." Provision was made for this program in the supplemental budget which was submitted by the administration. I wonder what justification is now being used for the removal of this program from the budget.

For the past 2 years we have been told that this program is the subject of study and that funds would be asked when the study was completed. The study has been completed and the funds have been asked for, but the committee in its wisdom has seen fit to strike these funds from the bill.

The study mentioned brought forth what is called the National Airport Program, Report of the Airport Panel of the Transportation Council of the Department of Commerce on the Growth of the United States Airport System. This is Senate Document No. 95. I recommend the reading of this report to the Members of the House who have not had an opportunity as yet to delve into it. The report states in part:

> Based on its findings, the panel is convinced that civil airports are public facilities of vital importance to the commerce and security of local communities and of the Nation as a whole. The panel is convinced also that the ability of the airplane to serve the general public varies in direct proportion to the number and functional adequacy of airports strategically located in the United States and its possessions. The studies undertaken by the panel have revealed that States, municipalities, and other local political units alone are unable to carry the capital investment burden involved in providing an adequate system of national airports. Therefore, it is the unanimous opinion of the panel that it is the responsibility of the Federal Government to give financial assistance to local governments in developing airports which are in the national interest.

The League of Municipalities of the State of South Dakota and the Aviation Advisory Committee of the State of South Dakota are both vitally interested in this bill, as are the United States Conference of Mayors and the American Municipal Association.

Referring again to Senate Document No. 95, it states that:

> The panel's findings indicate that today, as in 1946, growth is inherent in the structure of United States civil air traffic. It thus appears to the panel that Federal aid in developing a system of civil airports to keep pace with the requirements of an ever-growing aviation industry continues to be in the national interest.

In addition to this, we have the statement of the United States Chamber of Commerce in their policy report of May 1953. In this report, the chamber says:

> The national interest in the provision of an adequate, nationwide airport system justifies reasonable Federal aid for this purpose. The Federal Airport Act of 1946 is the basis for such participation.

Mr. Chairman, I hope that due deliberation will be given to this amendment and that the $22 million will be restored.

The CHAIRMAN. For what purpose does the gentleman from Louisiana [Mr. BOGGS] rise?

Mr. COUDERT. Mr. Chairman, a point of order.

I am a member of the committee. Am I not entitled to recognition?

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I rise in opposition to the amendment, and I apologize to the gentleman from Louisiana [Mr. BOGGS], but the gentleman from Ohio [Mr. JENKINS], who has just addressed the House was so persuasive that I really felt the committee should answer him before the effect of his remarks became irrevocable. I feel very bady as do other members of the committee about all these communities who undertook to borrow money without taking the trouble to ascertain whether or not there were matching appropriations available. The fact of the matter is that it is not the responsibility of the Congress or of the Appropriations Committee of the House. If any community undertakes to commit itself on a loan, on the assumption that it will get matching funds where they have not taken the trouble to find out if the funds are available, that is their responsibility. The real objection to this item now offered

as an amendment to this bill is that it is at the wrong time and on the wrong bill. This is not the original bill for the fiscal year 1955. This is a supplemental bill. The request came in on the 8th or 9th of June. Today it is the 20th of July and the session is about to close. They have had all year to bring in this request. Now they come before us and ask for it at this time.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. JENKINS. I have been before your committee when you were not there.

Mr. COUDERT. I beg your pardon. I was there.

Mr. JENKINS. Other Members were there time and time again. The gentleman cannot offer an excuse like that. Why did you not do what you should have done 2 years ago, as far as that is concerned?

Mr. COUDERT. I wish the gentleman had been right when he said I was not there. I am unhappy that I made such a little impression upon him, but I was there. As a matter of fact, the date he has reference to is subsequent to the 8th or 9th of June. I submit that an item of this sort should not be in a supplemental appropriation bill. There is no emergency involved here. There is no reason why this item could not go over to another regular fiscal year.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. Not now.

There is another point that is of very real importance. There is pending today, in the House Committee on Interstate and Foreign Commerce I believe, legislation sponsored by the administration that will affect and change the method of allocation and the method of subsidy, matching funds for these airport programs. I submit that until action is taken on that program, the House would be wholly out of order in appropriating funds at this time.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. HINSHAW. As a member of the committee to which the gentleman has referred, permit me to announce that that bill has been tabled.

Mr. COUDERT. All the more reason for not taking any action. Now we will wait for the Senate to do something about it.

Mr. HINSHAW. The Senate cannot do anything effective when we have tabled the bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I shall be delighted to yield to the gentleman from West Virginia.

Mr. BAILEY. The point that is being made about this airport money, it is my recollection that it was said that the supplemental bill was where it could be corrected. In my home city of Clarksburg we have been collecting funds over the years through taxes and assessments to enlarge the airport facilities, yet we have not received any Federal matching funds to take care of the needed improvement.

Mr. COUDERT. If there is such an accumulation of funds perhaps you will not need the Federal money.

Mr. BAILEY. We want to do some extensive work, we want to extend the runways. We have been collecting money from our taxpayers on the strength of getting Federal aid, yet we have so far received no Federal money.

Mr. COUDERT. I suggest that the gentleman continue with his efforts to get this in the next bill.

Mr. BAILEY. There is no time like the present, though.

Mr. COUDERT. Let me call attention to the table in the committee report and to point out that that table shows what each State will get out of this fund. It is allocated on the basis of population and area, and a very small amount is allocated to each State.

Mr. TABER. Mr. Chairman, I wonder if we can get an agreement on time for this amendment.

I see 12 Members standing indicating they wish to be heard. I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes.

Mr. CANNON. I would like 5 minutes myself.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the time be limited to 40 minutes, with 5 minutes reserved to the gentleman from Missouri [Mr. CANNON].

The CHAIRMAN. The gentleman from New York [Mr. TABER] asks unanimous consent that time for debate on this amendment and all amendments thereto, be limited to 40 minutes, 5 minutes to be allotted to the gentleman from Missouri [Mr. CANNON].

Is there objection?

There was no objection.

The CHAIRMAN. The Chair has listed the Members requesting time. The time will be divided equally and each Member will be recognized for approximately a minute and a quarter.

The gentleman from Louisiana is recognized.

(Mr. BAILEY, Mr. GREEN, Mr. GARMATZ, and Mr. GRANAHAN asked and were given permission to yield their time to Mr. BOGGS).

Mr. GARMATZ. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GARMATZ. Mr. Chairman, I cannot begin to cover all of the things in this appropriation bill which, to my mind, are serious mistakes. Just to list some of them at random in the order they appear in the committee's report make along list, for instance:

The failure to provide sufficient funds for prompt action on bankruptcy cases in the Federal courts, even though this money does not come out of the Treasury but out of charges made to parties in these cases.

The failure to provide any of the $8,430,000 requested for renewal of the censuses of business, manufacturers, and so on, even though a task force of, I understand, about 1,000 businessmen and other experts urged this work be done as authorized by law.

The failure to provide any of the $22 million requested to renew the Federal-aid-to-airports program, even though, again, a thorough task-force study shows the previous program was an excellent one and should be continued.

The failure to provide any of the $1 million which all the economic experts of this administration insisted was necessary to bring construction statistics up to date as a means of knowing how and where and when to proceed on public works, or other types of construction, particularly in fighting against depression.

Skipping over the maritime item, which I intend to go into in some detail, the next bad mistake is to cut $1 million out of the $9,750,000 requested to hire additional revenue agents to enforce the tax laws, even though every dollar spent for this purpose comes back to the Treasury many times over in taxes which would not otherwise be collected.

The failure to appropriate the additional $119,000 requested to help returning veterans get their old jobs back, even though at the present time there is a long waiting list of cases of these boys whose rights have been violated but who cannot get action because of insufficient personnel in the Bureau of Veterans Employment Rights.

The incredible failure to provide the full $43 million additionally needed for administration of the unemployment compensation and employment-service program, recommending only $4,600,000 instead, even though the workload is rising and the cuts previously made are causing serious delays.

The failure to provide any construction funds for the new features of the Hill-Burton Hospital Construction Act, even though the bill to expand the act recently was passed as a "must" part of the administration's program.

The failure to provide construction funds for the new Old-Age and Survivors Insurance Building in Baltimore or to provide any relocation per diem benefits for the 450 employees of the Agency being moved to Washington.

The failure to provide any funds for carrying out the education bills we just passed—not that they amounted to much—or to provide the very small appropriation requested for the Children's Bureau to fight juvenile delinquency.

There are just some of the items, Mr. Chairman, where the committee has used a meat ax on reasonable appropriation requests. If anything, the Eisenhower requests were too little to begin with. The administration should never have killed off the Federal-aid to airports program, and now it finds that this committee won't even let it start up again even with a token appropriation of $22 million. The administration misjudged the need on unemployment compensation administrative funds when the budget was prepared, and Congress even cut that inadequate amount. So the administration asked for a little more and got a refusal.

What disturbs me most deeply about this bill, however, is the utter disregard

for the merchant marine of the United States represented by the committee's action.

AUTHORIZING SHIPS BUT DENYING APPROPRIATIONS

We have just had a series of bills go through the House dealing with ship construction. They did not represent any really vigorous program of the kind we need to modernize our merchant marine and to get our idle shipyards back in operation. But they were intended to be of some help.

Now we are asked to turn around and refuse to provide the appropriations necessary to carry out these small programs.

Instead of $82,600,000 to build ships, as the Congress has authorized, the committee has recommended only $11,100,000 for experimental modernization of 4 Liberty ships in the reserve fleet.

Not a cent is in here for the tanker trade-in program we just approved—under which private tanker operators would trade in 10-year-old tankers in good condition, which would go into the war reserve fleet, and get a credit toward the purchase of a fast new tanker of the kind we would need and equipped with the national defense features we would need in case of emergency. The President asked for $26 million to get this tanker trade-in program started; he got exactly nothing in this bill as it has come out of committee.

Not a cent is in here either of the $44,500,000 the President requested for construction differential subsidies to make possible the replacement of 5 overage passenger-cargo ships with 4 new high-speed vessels.

The Government used to build these ships and then sell them less the subsidy to the private lines. The present plan is for the Government to pay the subsidy and let the private lines get the ships built themselves. Whether this saves any money or not is a question, but the administration seems to think it will save on outlays that is, the amount expended in any one fiscal year.

Nevertheless—and without any explanation—the Appropriations Committee has killed this item, too. It would have meant the replacement of the *Santa Paula* and *Santa Rosa* of the Grace Lines, Inc., with 2 15,000-ton 19.4-knot vessels, and the replacement of the Maritime Administration's *Argentina, Brazil,* and *Uruguay,* operated by Moore-McCormack Lines, Inc., with 2 18,000-ton, 21-knot vessels.

There is no doubt that we need the faster ships, that we want them under the American flag, and that our shipyards desperately need the work involved in building them. But the Appropriations Committee says "not a cent."

Mr. Chairman, I will support the amendment intended to be presented to this bill by the acting chairman of the Committee on Merchant Marine and Fisheries—the committee in which decisions on the construction of merchant ships should properly be made. We on that committee spent long hours in every session of Congress investigating this whole problem of ship construction; we alone can recommend to the House floor bills authorizing such construction. We do not appreciate having the Appropriations Committee using the device of an appropriations bill to negate our work.

Mr. GRANAHAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRANAHAN. Mr. Chairman, the cuts made in this appropriation bill by the Committee on Appropriations represent by and large a repudiation of much of the so-called Eisenhower legislative program—that part of it, at least, which has been passed up to now.

To say that the administration asked for this kind of treatment by its attitudes last year is perhaps to make political capital out of what could very well be a serious situation for the whole country.

But when you take some of these items on which the big cuts have been made, it turns out that they are usually in programs which the administration itself said last year did not look like very important programs, but now wants to revive.

The Federal aid to airports program is a case in point. Last year, the administration asked that no appropriation be made for it, and none was made. After one of those comprehensive studies by groups of experts which was made in this field as in many others, the administration found the previous program was not only a good one but a vital one and should be reinstated. So it asked for this very small new fund of $22 million to get it started again in at least a preliminary fashion.

But unfortunately, members of the Appropriations Committee who took the administration at its word last year and agreed the program probably was not worth continuing without a searching reexamination have not included a single cent of the $22 million. I guess they are reluctant to admit now, as the administration itself has admitted, that ending the program was a mistake. I am afraid the more accurate word is "blunder."

In this connection, the testimony on this bill on behalf of the American Municipal Association, which represents many if not most of our city and county and other local jurisdictions, is very interesting.

TWO-YEAR HALT IN AIRPORT PROGRAM

Mr. R. H. Hamilton, director of the Washington office of this organization, said:

As to the specific amount of the appropriation, the American Municipal Association supports the request for $22 million, but we respectfully point out that it is at least one-third short of meeting any minimum goal. We say that for this reason: Last year the administration in its wisdom decided to cancel the Federal-aid airport program. You are very familiar with that. That means that the municipalities of this Nation in the development of a national system of airports lost a full year. We have, because of the peculiar nature of the budget process, even if this appropriation were to pass the Congress tomorrow, lost another full year because of the necessity for submitting grants, applications for grants, and so forth.

To this, Congressman CLEVENGER, of Ohio, chairman of the particular subcommittee of the Appropriations Committee which acted on this part of the supplemental appropriation bill, replied:

You understand the Secretary of Commerce made no request in the original budget to this committee for this money, do you not?

Mr. HAMILTON. I recognize that. If I am not mistaken, at the time the original request was submitted, two factors prevented the submission of the request. One, the final work of President Eisenhower's study committee, the National Airport Advisory Council group——

Mr. CLEVENGER. I will say of all the study groups and their reports to date, including the Census, and the one relating to the reciprocal trade agreements and all of that, they have all provided for a tremendous enlargement over even the extravagancies that have preceded it. I presume this is in the same line. I have not seen the report.

Mr. HAMILTON. When you say it is in the same line, the report stated, as a matter of fact, that there was a Federal interest in the development of a national system of airports.

Mr. CLEVENGER. Certainly, there is a Federal interest in the development of everything in the United States. That statement of yours is like the question of "When are you going to stop beating your wife?"

I include this exchange from the printed hearings, Mr. Chairman, because I think it sheds a lot of light on the whole situation we face in connection with this starvation appropriation bill.

The Federal aid airport program, killed last year by administration desire to review the whole program comprehensively before spending any more money on it, is again killed by the Appropriations Committee even though the administration now wants to reinstate it. I shall certainly support the amendment to restore to this bill the very modest amount the Secretary of Commerce now asks, and I am sorry we got into this mess as a result of the premature killing of the program last year.

CAA DID NOT CONTACT CITIES

To me, the most serious part of this situation is that the Commerce Department deliberately cut off any contact between the Civil Aeronautics Administration and the various municipalities of the country during the past year so at present it has no idea how much funds are really needed to get the program back in operation. That hurt the CAA in this situation, because the Appropriations Committee has made much of the fact that CAA has no clearcut schedule of projects on which to spend the $22 million it requests. I do not follow the reasoning of the Commerce Department in putting up this curtain between the CAA and the municipalities—the theory that if CAA talked to the cities about their plans and needs for airport work it might imply that the Commerce Department, which still had not made up its mind about it, actually favored renewal of this program.

So now, as a result, the CAA has difficulty explaining how it will use the money. But, as Mr. Hamilton and

other spokesmen for the municipalities and their airports pointed out, and as the CAA indicated, there is a tremendous need for new Federal funds in airport expansion and improvement, and so this $22 million would not have gone very far at all. There is no question that this amount can be wisely used if we provide it in this bill.

As an outstanding example, I have been in touch with the officials of Philadelphia on this matter, and they tell me that we urgently need an additional runway at our airport there which will cost about $8 million. This vital need is outlined in a telegram which I have received from Mr. Walter M. Phillips, director of commerce, Philadelphia, which I quote:

Rapidly increasing air traffic at Philadelphia Airport makes it imperative in near future to construct another east-west runway parallel to main instrument runway. Estimated cost of runway $8 million. This improvement vital not only to future of air transportation in Philadelphia area but in time of national emergency would be essential to national defense.

Now, Mr. Chairman, it is not only the Federal-aid airport program which has suffered so badly in this bill as a result of previous administration reexaminations. The shipbuilding program of the Maritime Administration is cut to pieces. Business and manufacturers censuses, which were knocked out last year for reexamination purposes, are again denied funds, even though the administration and leading business spokesmen, after exhaustive study now tell us they are important to our economy.

OTHER SEVERE CUTS

Unemployment compensation funds were cut too deeply in the administration's original budget estimates, as the President has since acknowledged, and when it was found they were too low and a request was made in this bill for $43 million more, all but $4,600,000 of that was refused. That $38,400,000 should be restored here today. The hospital construction program just authorized—the new program—is cut out completely, so are all the educational programs just authorized by Congress. A $165,000 item for the Children's Bureau to combat juvenile delinquency is cut out entirely. Civil defense gets a terrible cut of $35 million from the request of $60 million for stocking of emergency medical supplies and similar equipment. Money the administration says is needed to make sure veterans receive necessary help in getting their old jobs back under their reemployment rights is also denied. This is not economy so much as it is fiscal butchery.

On the other hand, Mr. Chairman, while making these criticisms which I feel deeply, I want in all fairness to express my gratitude that the committee did not go on to reduce the supplemental requests for veterans unemployment compensation payments or for veterans hospitalization, or for necessary military civil works projects such as the one at Frankford Arsenal, to cost $1,626,000 this year, to expand and improve the electrical distribution system and rehabilitate and improve the steam-generating system.

But with the exception of some items of that kind, this appropriation bill is one intended to slash the heart out of programs which not only the Democratic administrations but now this one, too, have said are vital programs of Government. I think the bill in its present form is something of an insult to the President, and at least a repudiation of much of his program, such as it is.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. BOGGS. Mr. Chairman——

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. GREEN. Mr. Chairman, I rise at this time to commend the gentleman from Georgia [Mr. PRESTON] for presenting this amendment and to state that I am supporting him in this effort to the fullest extent.

The Members from Philadelphia have been working in cooperation with the gentleman from Georgia [Mr. PRESTON] for the last week in impressing on our colleagues the importance of the Federal aid-to-airports program.

The administration in the city of Philadelphia and Mr. Walter Philips, the city representative in particular, has been in contact with all the Members and has advised us the importance of this amendment to the expanding airport facilities in the great city of Philadelphia.

It is my hope that this amendment will pass and this most important work will go forward in the interest of the national defense of our country.

Mr. BOGGS. Mr. Chairman, I rise today to support Congressman PRESTON'S amendment to this supplemental appropriation bill which has the effect of putting $22 million into the bill to restore the Federal airport program.

Last year, the leadership saw fit to delay that program by providing no funds for it. This was the first time in the history of the act that this had occurred. At the time, Members on this side of the aisle pointed out that failure to appropriate funds for the Federal airport program would result in a destruction of a national system of airports. We suggested that the Federal Government had a legitimate, constitutional interest in airport development and that States and municipalities could not carry the financial burden of airport development without Federal cooperation. Our judgment has been borne out. Statistics show a decline in airport construction plans during the past year.

Shortly after the adjournment of the first session the administration appointed a study commission to ascertain the facts about airport development in the United States. The Transportation Council of the Department of Commerce, appointed by Secretary Weeks, took a new look at the national airport program. The unanimous recommendation of that well qualified study group was that—

States and municipalities and other local political units alone are unable to carry the capital investment burden involved in providing an adequate system of national airports. Therefore, it is the unanimous opinion of the panel that it is the responsibility of the Federal Government to give financial assistance to local governments in developing airports which are in the national interest.

That is the actual quotation summing up the opinion of the Eisenhower-appointed group who took a new look at this well-established program.

President Eisenhower sought to implement the findings of his administration's study group. He sent a supplemental request to the Appropriations Committee asking for $22 million to carry out the Federal responsibility in this program. I regret to say that the committee refused to appropriate even this meager amount. They have turned thumbs down on the President's request.

I stand ready to support the President.

I know and understand the necessity for a Federal airport program. In my own city of New Orleans I know that the Federal Government has a responsibility to help develop that airport. Over 90 percent of the traffic at that airport is interstate in character. It is the air gateway to our good friends and neighbors in Latin America. The development of Moisant Airport is certainly of equal importance to the National Government as it is to the city of New Orleans. Needed and urgent repairs are being held up. The construction of a modern terminal building adequate to the needs is awaiting Federal action.

The development of Moisant Airport is a project which New Orleans' Mayor deLesseps Morrison has long planned. His vision of the airport's needs are commendable. I hope we will approve this amendment so as to continue the established partnership in the development of this facility.

Mr. Chairman, well-qualified representatives of the Nation's airport system have testified to the need of this program. At a time when we are appropriating nearly $2 billion for highway work, hundreds of millions for aids to water transportation and navigation, it makes little or no sense to neglect our Nation's system of airports. The American Municipal Association, representing 12,000 municipalities in 44 States, has pointed out that the development of the Nation's airport system has come about through Federal-local partnership. This amendment seeks to continue that partnership. If the partnership is dissolved because of one of the partners does not contribute to it, then the national system of airports will be dissolved and destroyed. I need not dwell on how tragic that would be from a standpoint of the Nation's defense, progress, economy, and business and commercial convenience.

I hope that the amendment will carry. I hope that the Federal Government will fulfill its share of the responsibility in providing a national system of airports and stand shoulder to shoulder with the local governments of the United States in providing adequate facilities for their air age. Planes without airports are useless. Airports will not be built and improved unless Uncle Sam fulfills his share of the responsibility. I urge the Members of the House to support this amendment offered by my well-informed colleague from Georgia whose leadership in aviation matters

is widely recognized. In brief, a vote for the amendment is a vote to restore the Federal airport program which we cut off last year without notice. It is also a vote in support of President Eisenhower's budget request.

SUMMARY OF SPECIFIC FINDINGS AND CONCLUSIONS, AIRPORT PANEL, TRANSPORTATION COUNCIL, UNITED STATES DEPARTMENT OF COMMERCE, 1954

I. The number and functional adequacy of present civil-airport facilities do not meet the present and future needs of civil aviation consistent with the requirements of the national interest and security.

II. States, municipalities, and local political units alone are unable to carry the entire capital investment burden attendant upon the provision of an adequate system of national airports.

III. The Federal Government should participate financially with State and local governments in the construction and development of civil airports to the extent that these airports serve the national interest.

IV. The determination of whether there is sufficient national interest to warrant Federal participation in a particular airport project should be based on a demonstration of tangible aeronautical necessity in the area served.

V. Federal aid should not be limited to any class or category of airport or landing area.

VI. The following segments of airport development should be eligible for inclusion in Federal-aid projects:

(a) Acquisition of land or easements, including all areas necessary for the public safety, such as overruns, runway approaches, and land required for the expansion of the aeronautical facilities of the airport.

(b) Land development, such as clearing, grading, fencing, and the installation of drainage, sewer, and water facilities. This should include not only the initial cost, but also the cost of any subsequent modification or addition.

(c) Construction of runways, taxiways (including leadoff taxiways, runup aprons, and ramps devoted to common public use.

(1) Hard surfacing or other paving should be provided where natural drainage will not assure all-weather service.

(2) Federal aid should normally be limited to the development of a single runway on each airport.

(d) Installation of lighting and navigational facilities (including lighting of obstacles in the approach area) for common public use for the safe operation of aircraft on the airport.

(e) Removal of obstacles on approaches to airport runways when in the interests of public safety.

(f) Nonrevenue service-type structures, such as buildings designed to house fire, crash, and maintenance equipment; control towers.

(g) Access and service roads within airport boundaries.

VII. Since terminal buildings are revenue-producing facilities, they should not receive Federal grants-in-aid. However, as a corollary, all Federal agencies should pay for all their space requirements, including cost of construction and maintenance, on a self-liquidating basis.

VIII. The Congress should study the feasibility of a plan whereby the Federal Government would guarantee the payment to private investors, such as banks and other lending agencies, of indebtedness incurred by State or local governments for the construction of terminal buildings.

IX. The Federal Government should remove reservations and restrictions contained in surplus property deeds or airport sponsors agreements which prevent the private financing of civil airport development.

X. When military requirements at an airport exceed civilian needs, the additional cost should be borne in full by the Department of Defense.

XI. A thorough revision of the national airport plan should be made. This should be based on sound criteria designed to gage the tangible aeronautical necessity of the area served or to be served by the airport.

XII. Selection of sites for airports, heliports, and seaplane bases to be included in the national airport plan should be the mutual responsibility of Federal and State officials, in cooperation with local officials.

XIII. Preparation by the Federal Government of annual or biennial airport programs and the selection of individual airport projects to be included therein should be based on the applications of State and local officials.

XIV. Except as provided in section 10, subsections (b), (c), and (e) of Public Law 377, 79th Congress (Federal Airport Act), as amended, and, except when specifically recommended by the Administrator of Civil Aeronautics and approved by the Congress, the share of the Federal Government in any approved project should not exceed 50 percent.

XV. The Congress should review the Federal Airport Act, together with all other statutes affecting airports, in the light of experience gained since 1946, with the view to eliminating unnecessary costs and restrictions through amendments to the act or applicable statute. Pending such action by the Congress, the Civil Aeronautics Administration should review the administration of the act with the view to eliminating all unnecessary costs, restrictions, regulations, and requirements.

The CHAIRMAN. The Chair recognizes the gentleman from Nevada [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia. The gentleman alluded to the Airport Committee of the Transportation Council, which reported favorably on a continuation of this program. In addition, the Air Coordinating Committee appointed by the President also completed a comprehensive study of the role of the Federal Government in national air transportation. It, too, reported favorably and recommended that this program be continued on a modified basis. It pointed out that in its opinion the primary role in airport construction belongs to local and State governments, but that the National Government does have an interest in maintaining a national air transportation program not only for the purpose of keeping up with our phenomenal economic growth but for the purpose of helping us discharge our responsibility as a world leader.

The Department of Commerce conducted a separate survey in which it pointed out that air transportation use has grown tremendously in this country during the past few years. In 1945 there were some 13 million who enplaned on domestic airplanes. In 1953 that number had grown to 28 million. The Department anticipates and predicts that in 1960 there will be 50 million Americans using domestic airlines. This growing use has overtaxed existing facilities and unless national air transportation is to suffer, the Federal aid to civil airport program must be continued. Our air services must be expanded with its supporting base to keep pace with our economic development and position as world leader. I urge adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I desire to inform the gentleman from New York [Mr. COUDERT] that the committee considered the revision and modification of the Federal aid to airport program and tabled the bill, knowing full well that the bill made such modifications that the committee could not go along with it. The original act provided for $75 million a year for 10 years. At no time has the Committee on Appropriations come even close to that figure which we believed at the time was necessary properly to build a system of airports in the United States. I believe that the Committee on Appropriations in effect would veto this legislation passed under the aegis of my committee by such action as is here proposed. I support the amendment of the gentleman from Georgia [Mr. PRESTON].

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CLARDY].

Mr. CLARDY. Mr. Chairman, as one who has been flying his own plane from one end of the Nation to the other for better than 25 years, I think I know something about how the program has worked. I do not like what I see. If you think you are helping private aviation, you are kidding yourselves. Furthermore, as a freshman Congressman, I am appalled. Every time someone rushes to Washington for money, you would think that it was merely turned out on a printing press and cost no one anything. Will there never be an end to the idea that this money comes out of the pockets of the very people who think they are benefiting from it? And if this amendment is adopted you will have opened the floodgates. Next year the cry will be that we must carry on the project this money will start. I think the amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I rise in support of the amendment. I would like to cite one example here. The airport that serves most of the people of my district is located in Ohio County, W. Va. Obviously, the only way we can contribute to it is through Federal funds. The runways of that airport are deteriorating; they need resurfacing, and every year that it is put off it is going to cost more money to get it in the kind of shape it ought to be in to be safe. I think the people of my district want this amendment because they realize the importance of aviation and the importance of national airliners to serve their communities. I am in wholehearted support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, 25 years ago I was Ohio's first director of aeronautics. We learned then that aviation is national. We found you could not have city or State licensing or traffic regulations for aviation, although some States

and cities tried it. We found you had to have Federal licensing of pilots and planes, and Federal air traffic regulations. The traffic is national and requires nationwide regulation and national support. We have Federal railway regulations and the Federal Government helped the railways in the early days with Federal land grants. We have a 50–50 Federal support of our road system. We have gigantic rivers and harbors appropriations and additional Federal subsidies for our merchant marine. This aviation is a national proposition, involving defense and safety, as well as interstate commerce, and it is a wonderful thing that we get a share of the costs from these cities that are willing to bond themselves.

Now, you cannot have a city wait until an appropriation is made before it issues its bonds. The city must of course move first under the airport aid law. If it does it on the faith and credit of the national law, I think there is a Federal commitment. Take your social security. That requires future appropriations, but nobody claims that the people are not justified in relying on social security when they pay in their money. In cases like my own home city, Columbus, Ohio, where we voted a bond issue of $3,383,000 in reliance on this law, the Federal Government ought to meet its obligation.

Port Columbus is high in priority on national defense aspects. A naval air facility is on the airport. North American Aviation has a plant beside the port. The greatest Army Quartermaster depot in the world is within a mile; 17,838 Air Force landings and takeoffs were made in 1953.

When the Federal Government gets a defense facility like Port Columbus for 50 cents on the dollar, it is getting a bargain. The Government ought to carry out its part of the bargain.

Mr. YOUNGER. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GUBSER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia.

Last year, the Federal airport aid program was cut pending studies then being conducted. A committee appointed by the Secretary of Commerce recommended that the Federal airport aid program be continued on a larger scale. The air coordinating committee unanimously recommended the Federal airport aid program, and President Eisenhower adopted the report of his air-coordinating committee as national policy.

Like many other cities throughout the country, the city of San Jose, Calif., which is in my district, extended itself financially on the airport expansion and development program in the belief that the Federal Government would continue to carry out the recommendations of its own agencies and study commission, and that it would follow the policy laid down by the President. In order to preserve land for badly needed major airport development, the city of San Jose borrowed deeply from its capital reserve to advance the Federal Government's share of acquisition funds.

In accordance with the Federal Airport Act, the city of San Jose already has incurred out-of-pocket expenses of $131,028 in land and engineering costs in anticipation of Federal aid. In addition, the city of San Jose has created a special fund for the carrying out of a project, total cost of which comes to $382,323. Last year, the city of San Jose authorized the purchase of additional airport property in the amount of $158,000. This property was purchased on the assumption that Federal aid would be obtained. The approved master plan for development of the San Jose airport to the standard required by the industrial development of the San Jose area, and the San Francisco Bay area as a whole, cannot be carried out without Federal aid.

I am not proffering the contention that the Congress is under legal obligation to appropriate the funds sought under the Federal airport aid program by the Civil Aeronautics Administration. I do, however, urgently suggest that we are under the moral obligation to carry out what has been proclaimed as the national policy by our own leaders, and upon which cities in all parts of our country have relied.

MORAL OBLIGATIONS SHOULD BE LIVED UP TO, NOT AVOIDED

If it is the desire of the Congress to shut down the airport-aid program—something that I personally hold to be contrary to the national interest—then let us do it after giving proper notice, so that those who heretofore have worked under the illusion of a Federal-local partnership may be disabused, and are not lured into making commitments on their part which later must remain unfulfilled for lack of Federal assistance.

Mr. Chairman, let us recognize that the $22 million sought by the CAA under the airport-aid program for the current fiscal year is not sufficient for the tremendous needs facing airport development everywhere. It is an amount calculated to give welcome assistance to a number of airports with carefully screened and officially approved projects deemed advisable not only in the local but in the national interest as well. The almost unbelievable rate of industrial development in the San Francisco Bay area renders the development of airport facilities at San Jose a necessity. I am sure the same is true elsewhere.

We have aided the railroads in crisscrossing the country with their lines as a matter of national interest. We have aided in road construction to aid motor links, likewise in the national interest. Let us now in enlightened self-interest, aid aviation by creating the landing fields.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I think our duty is very clear here. Rightly or wrongly, we have inveigled or encouraged communities to issue bonds in the amount of $33 million for airports. We have not carried out the obligation of the Federal Government. The gentleman from New York says that this should not be in this bill. I want to know what kind of a bill it should be in if it should not be in an appropriation bill; and this is an appropriation bill. This amendment was recommended by the Bureau of the Budget. The gentleman from New York says that this is not an emergency. He cannot say to those local governments which have issued these bonds, which have been waiting all of this time, that this is not an emergency. I support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise in support of the amendment of the gentleman from Georgia [Mr. PRESTON]. Also, I concur wholeheartedly in the remarks of my colleague the gentleman from Ohio [Mr. JENKINS]. I cannot believe that this Congress can justify taking a position of dormancy at this time as far as the aviation industry is concerned. I certainly feel that if we are justified in appropriating funds for roads, then we are justified in providing funds so that we may have some safety on our airways. It is my hope that the House will wholeheartedly accept the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. POLK].

Mr. POLK. Mr. Chairman, first I wish to say a word in commendation of the gentleman from Georgia, Mr. PRINCE PRESTON, who has worked so hard and so faithfully and so long on this particular proposal.

FEDERAL AID FOR AIRPORTS

As you may recall, last year when the appropriation bill was before the House, it was my privilege to offer an amendment similar to the amendment the gentleman from Georgia [Mr. PRESTON] has offered here today. At that time we were told that if we would only wait another year until an investigation could be made, that this question would be considered. The investigation has been made. A favorable recommendation has been made on the matter of Federal aid to airports.

Certainly we have complied with the request of those who wanted to study this question. It has been studied. We are now in the process of securing the money which the people of this country have believed that the Congress had a moral obligation to supply to them to match the money that they had themselves appropriated. I strongly support this amendment and urge its approval.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, it would seem to me that to appropriate money for things that are really not needed, when we have to borrow that money from the people, is wrong. But we all recognize that aviation is here to stay so that we are appropriating money here that is needed to meet previous commitments. To me this amendment makes sense, for this reason. I do not believe the Government has any right legally to refuse

funds that have been formally committed and repudiate an agreement that people made with the Government to match funds on a 50–50 basis, to create their own facilities. It would seem to me that to deny this appropriation would not be very good judgment on the part of the Government. I personally feel that I can favor this amendment. To permit the Federal Government to fulfill its obligations and commitments to municipalities that have fully complied by executing their part in fund raising in good faith, in anticipation that the Federal Government would do likewise.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, this amendment is, first of all, a plain matter of the good faith of the United States. It has been said that some of these American communities did not take adequate pains to discover whether Federal funds were actually available to match their bond issues. Perhaps it was naive, but I will not admit it, for the American people to believe statements proceeding from their own Government in Washington advising them and even urging them to raise money themselves, which the Federal Government would match.

Most Americans still believe that the word of Government officials can be depended on. Having encouraged local communities to raise funds for airports, and now that they have their share of the funds raised for the airports—and nobody denies that the need for them exists—it is unthinkable to me for the Congress not to go through with its part of the bargain.

I think this amendment ought to pass overwhelmingly as a matter of good faith and as a matter of national security and sound development of national transportation facilities. I cannot find one adequate reason against this amendment. We are going to do it eventually; why should we not do it now, and act in good faith with our local communities?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Several years ago the Federal Government entered into an agreement with the city of Ukiah, in my district, in order to assist them in the building of an adequate airstrip so that the larger type commercial planes could land there. The city voted a sizable bond issue to provide for the necessary improvements for the airport. The city purchased the land expecting that the Federal Government would meet their agreed obligation. The Government agency found themselves without funds to meet its share of the cost of this project. Today the city owns the land. But the strip is ungraded, it is unsurfaced, because of the lack of matching money obligated by the Federal Government and air transportation has been retarded in that area.

I know an emergency does exist in the city of Ukiah and without a doubt there are other similar cases. This amendment is necessary to take care of the improvement of airports in a similar position. These people are entitled to air service. I believe it is the responsibility of the Federal Government to meet its obligation and assist in carrying out a project the city entered into in good faith. I support the amendment and ask for a favorable vote.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

(By unanimous consent, Mr. LAIRD was given permission to transfer the time allotted to him to Mr. TABER.)

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I want to associate myself with my colleague from the city of Minneapolis in supporting this amendment. The major airports in the principal cities of this country serve all the people, and in addition they serve many of the needs of the military. The Word Chamberlain Field in Minneapolis at one time was completely a commercial field but has now been servicing both the Navy as a reserve station and likewise the military Air Force. They have encroached there and are taking over considerable of the room on the field, with a resulting problem to the Word Chamberlain Administration. For that purpose, I think the Government does have a real interest in helping to service the major fields of this country and making it possible for those in the smaller communities to have adequate service. So I, too, support the amendment offered by the gentleman from Georgia [Mr. PRESTON].

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Chairman, I call the attention of the committee to a statement by the United States Chamber of Commerce in its policy statement of May 1953:

"The national interest in the provision of an adequate nationwide airport system justified reasonable Federal aid for this purpose. The Federal Airport Act of 1946 is the basis for such participation.

No one would accuse the United States Chamber of Commerce of being possessed of spendthrift ideas. It is one of the most ultraconservative organizations in the country. It is the organization that has importuned Congress more often than any other organization to act economically. Yet here the granddaddy of all the economy organizations in its policy statement says that we should carry on the Federal airport program enacted in 1946. I submit that that is proof of the highest order.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. CHUDOFF].

Mr. CHUDOFF. Mr. Chairman, perhaps one thing which can be brought out in favor of this amendment is our wonderful and great new Philadelphia International Airport, which we have just opened in the past 6 months. The city of Philadelphia went to great expense to plan what, in my opinion, is one of the finest airports in the world. They took into consideration in making these plans the fact that there would be Federal aid to airports on a 50–50 basis. We definitely need this money to finish this airport. Some time ago I came to the well of the House to ask the Federal Government not to break faith with the Commonwealth of Pennsylvania in its compact to clean up the Schuylkill River. Just as in the case involving these airports, the Federal Government had authorized the cleanup and never appropriated the funds. Fortunately, we were able to get the funds for the cleanup and the work will be finished this year. I think this is just another example of the Federal Government breaking faith with the municipalities of our Nation. I feel many of our municipalities do not understand the system we have here in the Federal Government and in the Congress of the United States. They do not understand that there not only has to be an authorization, but there must be an appropriation besides. They feel that as soon as the authorization has passed that the Federal Government will finally come through with the money necessary to meet the authorization. Then they find, after they have made their plans and issued their bonds, that the Federal Government refuses to come through with the money and appropriate sufficient funds to keep the agreement with the municipalities. In all fairness, I think that since the municipalities are trying to develop the airports of this country, this amendment should be passed.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, there is scarcely time enough to answer but 1 or 2 of the allegations that have been made. I want all of you to remember that of this $22 million, there is $1,250,000 for administration. There are 46 of these planners at the present time that are the cause of the municipalities being in the shape they are in. This money will be appropriated under the very terms of the appropriation to be allotted to the States under the present formula. For the whole State of Ohio, it would amount to about $503,000. I am sure that my two colleagues will not be able to get all they want out of that amount of money.

I want to be honest with the people of Portsmouth. There is no way that this committee can earmark $400,000 for Portsmouth, Ohio.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield.

Mr. JENKINS. I do not want to enter into a dispute with the gentleman, but the chief authorities of this department say to me that they can do this thing and that they can take $400,000 out of the $28 million and pay it down there, and they can do that until the money is expended. It seems that some of you just do not understand what the situation is.

Mr. CLEVENGER. Some of us are remembering the obligation that we have toward the rest of the towns and the rest of the States, and we are not trying to grab more than our share. I am going

to tell you something. When some of you Members go out on the stump and go to talking about balancing the budget, and how you are for economy, and suddenly you feel something bitter in your mouth, do not be alarmed, it is just an excess of biliary action and your gall bladder is working.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON.]

Mr. CANNON. Mr. Chairman, how easy it is to spend money for some beloved project back in our own districts—and how hard it is to levy taxes to raise the money. The mythical senator, Senator Snort, always voted for all appropriations and against all taxes—a consumate achievement in statesmanship. It is to be observed that most of those who are urging additional expenditures here today voted to reduce taxes in the last tax-revision bill. We vote for appropriations and we vote against taxes, and then, as Senator Snort said, we get letters from crackpots who want to know where we are going to get the money.

Mr. Chairman, may I interrupt this hilarious, headlong stampede on the Federal Treasury for just one word? Can we talk a little commonsense? Mr. Chairman, may I talk a little practical politics with my friends here this afternoon, in their own language?

How disappointed. How shocked and disappointed some of us who are voting for this pork-barrel amendment here this afternoon are going to be when we get in line to collect our share of the loot.

The amendment provides $22 million for more than 1,600 airports. But you are not going to get an equal division even on the $22 million. Something like $2 million must first be subtracted for administration and the insular possessions.

Of the remaining $20 million, 25 percent goes to the Bureau of Aeronautics. Seventy-five percent goes to all the States—not in equal parts—but according to population and area. Texas with its huge area and population would get a major slice. But Texas is full of airports and the entire $20 million if given to Texas alone would be equivalent to a pint can of water carried across the desert to extinguish a forest conflagration.

There will be expectant constituencies all over the country, whose hopes have been buoyed by the rosy accounts of this vote who will be quite irked when $15,000,000 does not build a superairport in every county seat in the Nation.

But the embarrassment of the Congressman who fails to deliver on the flambuoyant reports the newspapers will carry on this amendment will not be a circumstance to what he will be up against when the drive really starts. Every hamlet and village and crossroads in the country will be out to get its airport and its share of the Government money. There is $1,250,000 in the bill, to be taken out of the $22 million, for new employees whose business will be principally to cruise around over the country and encourage more towns to apply for airports.

It will take a lot of explaining on the part of the Congressman to convince them that they are not as much entitled to an airport as the town just across the line. Oldtimers around here will remember what happened when each Congressman had one new post office building to pass around and two dozen towns in the district reaching for it.

Now let us be practical about this matter. It is no time to start something which can in 1 year get completely out of control. To pass this amendment is to start a program which cannot be held in leash. It is a program which will demand not millions but billions of dollars. It opens up an area of such colossal expenditure as to dwarf any other peacetime item in our national budget.

I know we get tired hearing about the budget. Balancing the budget—balancing the budget. But as weary as we are of hearing about it, the unbalanced budget reported the first of the month at the beginning of this fiscal year and which will confront us on the adjournment of the Congress, is one of the most serious and dangerous of all the serious and dangerous situations which surround us today.

Just one more absurdity. Doubtless you have been surprised at statements made during debate on this item to the effect that the Government is committed—that the Government is pledged—that the Government has entered into contract—that the Government is guilty of bad faith—when it does not supply money in any amount to any locality which chooses to issue bonds for an airport.

It cannot be stated too emphatically that the Government has never at any time made any agreement of any kind with anybody to contribute anything whatever to the construction of any airport contemplated by this amendment.

"Oh," they say, "the Congress has passed an act authorizing such expenditures." But an authorization has no binding effect whatever. The statute books are full of them. They are passed every session—too often by what amounts to unanimous consent. If the Committee on Appropriations reported and the Congress passed this afternoon all appropriations authorized by law the Treasury would discontinue payment tomorrow morning.

Mr. Chairman, this expenditure is unwarranted. We have been getting along without it and we can continue to get along without it. Every dollar of it is deficit spending. The States and minor political subdivisions are solvent. Let them take care of such expenditures. The amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I rise in support of this amendment.

The city of Billings, Mont., one of the two largest cities in our State, has been planning for improvement and enlarging its airport for several years and has depended upon the availability of Federal funds to help in the project. The city did not rush into this program, but gave it considerable study and devoted a good deal of effort to its plans before it applied for Federal help. Unfortunately, the delay occasioned by the desire to have a sound project carried the city beyond the date when Federal funds were cut off.

As part of its planning, the city of Billings about a year ago voted upon a $450,000 bond issue for the airport program. The voters endorsed the project overwhelmingly. At that time the city was negotiating with the CAA in good faith with no idea that the Federal program would be terminated.

Under these circumstances, we feel strongly that the Federal Government has a commitment, at least a moral commitment, to go ahead with this project. The total Federal share would be $570,859, while the local sponsors would contribute $460,000. The work includes land acquisition, grade and drain landing strip to be 500 feet by 8,800 feet, paving and lighting another runway 150 feet by 8,600 feet, paving of taxistrips and aprons, construction of a new terminal building, etc.

Not all of this work needs to be done at once, but the improvement and lengthening of the landing strips is essential.

Billings is the center of the new and rapidly developing eastern Montana oil industry. Its population is growing rapidly. It is a transportation hub in the State for air, highway, and rail travel. For the past several years it has rated sixth among all the cities in the eight Northwest States as to the number of enplaned passengers.

The present airport is entirely inadequate to handle the growing amount of traffic and the new and larger aircraft that are being used and are on order for Northwestern Airlines, Frontier Airlines, and Western Airlines.

This is a necessary and worthwhile project, and I think that the Federal Government should come forward without delay to do its share under the Federal Aid Airport Act. I hope that the committee will include in the bill at least enough money to go ahead with the projects at the larger and more important air centers such as Billings, Mont.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER] to close debate on this amendment.

Mr. TABER. Mr. Chairman, I hold in my hand the justifications that were brought up by the Civil Aeronautics Administration when they came for their hearing on this matter. They said they wanted 1,910 airports. With an item of $22 million each airport would get about $10,000. You can figure your chances on this thing. I just hope too many will not be buncoed by the propaganda that has been put out by these fellows down there on the payroll. They have been out to these communities and sold them without any authority on a promise that the United States would pay half. It was a bad thing that the Congress permitted them to stay on the payroll.

Let us not allow the people to be bamboozled by such folks as that; let us not allow them to build up another 65, 70, or 100 additional redtapers to go around and inveigle communities into trouble.

I hope this House will show its usual good sense and refuse to add this item onto the appropriation bill today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 157, noes 61.

So the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: On page 6, following line 8 insert:

"CLAIMS, FEDERAL AIRPORT ACT

"For an additional amount for 'Claims, Federal Airport Act', to remain available until expended, as follows: Municipal Airport, Elko, Nev., $69,449."

Mr. YOUNG. Mr. Chairman, the amendment which I have offered is to appropriate $69,449 to repair damages done to the Municipal Airport at Elko, Nev. I may say at the outset that we should commend the Appropriations Committee for the excellent job it has done in economizing, in cutting out unnecessary expenditures. However, I believe in this instance we have not an unnecessary expenditure but a legal obligation of the United States Government.

How did this claim arise? It arose under section 17 of the Federal Airport Act, which provides that in the event a Federal agency damages or does harm to a municipal public airport, then the Administrator of Civil Aeronautics can investigate, appraise the damage and make a recommendation of what sums will be necessary to rehabilitate the airport and repair the damage. That has been done. During the first session of the 83d Congress, by Public Law 105—this Congress reaffirmed that law. A claim was duly submitted; it was certified by the Civil Aeronautics Administration in the amount of $69,449. It represents a legal, contractual obligation. It represents an obligation upon which the United States Government could be sued in the Court of Claims, and I see no defense to the claim.

How did this damage occur? It occurred from two causes. First, as the result of Operation Haylift, which was conducted from March 22 to March 31, 1952. In Operation Haylift, heavy Army and Navy planes used the Municipal Airport at Elko, Nev., for the purpose of dropping hay to cattlemen in distressed areas. The areas were distressed because of a heavy snow which isolated them from their supplies of food.

The airport was designed to handle airplanes with loads of 15,000 and 20,000 pounds for single and dual-wheeled planes, respectively. Heavy C–54 and C–119's, carrying gross loads of 63,000 and 64,000 pounds utilized the airport. There were 110 such loads from the Elko Municipal Airport. There is no doubt that damage occurred as a result therefrom. Shortly after the commencement of the operations city authorities notified the Engineer Corps that extensive damage was being done to the pavement. Later that summer repairs were made to the airport, and that fall a second cause for damage occurred when an air rescue mission was underway. There were several downed planes. Approximately 30 Army and Navy planes utilized the airport to conduct their operations.

I have here a letter from the commanding general of the Air Rescue Service, in which he says:

AIR RESCUE SERVICE,
MILITARY AIR TRANSPORT SERVICE,
UNITED STATES AIR FORCE,
Washington, D. C., February 4, 1953.

Hon. DAVID DOTTA,
Mayor of the City of Elko,
Elko, Nev.

DEAR MAYOR DOTTA: I wish to convey my sincere appreciation through you to the citizens of Elko and the surrounding territory for the splendid cooperation afforded members of my command during the recent search for a United States Air Force C–47 and a civilian Cessna aircraft, both lost on December 10, 1952.

The combined efforts of local Civil Air Patrol members, governing officials, and volunteer searchers greatly hastened the conclusion of the mission.

Although the absence of survivors in either disaster was saddening to us all, still, the singleness of purpose displayed by military and civilian alike in a desire to help their fellowman is unquestionably reassuring.

Since I cannot thank each one concerned individually, I must take this collective method of expressing my personal gratitude, and that of my entire command.

Sincerely,

T. J. DUBOSE,
Brigadier General, USAF, Commanding.

There seems to be some question as to the amount of damage done to the airport. The Engineer Corps made a preliminary report and estimated that some $20,000 would be required to repair the airport. The city, in conjunction with the services of the Nevada State Highway Department, submitted a claim in the amount of $116,000. Later the Civil Aeronautics Administrator made an investigation and reported that in his opinion an amount of $69,449 would be required to put the airport in the same condition that it was in prior to the time of Operation Haylift, and the air rescue mission. The claim was duly submitted, but it has been rejected by the Committee on Appropriations.

Now, why do I feel that the Federal Government is obligated to pay this? First, because section 17 of the Federal Airport Act clearly and unequivocally states that when the Administrator of Civil Aeronautics certifies a certain amount as necessary to rehabilitate an airport it should become a legal and contractual obligation of the United States Government. Secondly, we know if a private plane used an airport such as this and damaged it as extensively as this was damaged, there would be no doubt that liability would attach and damages could be obtained. Thirdly, the operation of December 10, 1952, the air rescue operation to which I have referred, was exclusively a military operation and certainly one which was accomplished by an agency of the Federal Government. Mr. Chairman, there is a legal and, I believe, a moral obligation for the Government to pay this claim. I, therefore, urge adoption of this amendment.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have before me the hearings and a man named Howell from the Civil Aeronautics Administration was a witness. He said that the Corps of Engineers investigated the claim and that the city of Elko was advised on June 12, 1953, that the actual estimate of the damage was $20,200.

Now, a lot of the damage, according to the hearings, was not confined to the bad breaks and failed areas where planes broke through or shattered the pavement but covered the entire westerly 4,200 feet of the 6,000-foot runway, an area of approximately 70,000 square yards.

Now, the committee felt when it was investigating this matter that it was more than should be considered under the circumstances.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROONEY. Was it not the thought of the committee that this sort of item does not belong in a supplemental appropriation bill; that it is a matter to which more time should be given by the committee because of the difference between the estimate of the Corps of Engineers in the amount of $20,000, and the amount requested by the Civil Aeronautics Administration? Was it not principally a matter of deferring this until the committee could get some firm judgment with regard to it?

Mr. TABER. That is a correct picture of the situation.

Mr. YOUNG. Will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. YOUNG. Did not the testimony show that there was $70,000 worth of damage and did it not also point out that the report of the Corps of Engineers was based only upon repair to the surface damage? I have photographs which show holes big enough to hide a man in, as a result of heavy planes landing on the airport.

The longer we delay, the harder it will be upon the city of Elko. They have made temporary repairs, but those were knocked out by the rescue mission on December 10. They have a half million dollar investment in that airport between the Federal Government and the city of Elko, without counting the amount of money that was required to acquire the original 350 acres. It is a legitimate claim under Public Law 105.

Mr. TABER. It is, insofar as it is justified, yes. The CIA engineers found that the damage was not confined to the bad breaks and filled areas where planes broke through but covered the entire area of the 6,000-foot runway, an area of 70,000 square yards. That finding is rather disturbing to me.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROONEY. Is it not the further fact in connection with this claim in the amount of $69,000, that the total investment of the city of Elko in the airport originally was in the amount of $103,000?

Mr. YOUNG. That does not include the cost of the 350 acres that constituted

the airport. That is a sizable contribution for a city of around 5,000 population.

Mr. ROONEY. A city how large?

Mr. YOUNG. Slightly over 5,000.

Mr. ROONEY. We were given to understand that Elko was a city of 12,000 population with only four commercial flights a day. Evidently the Civil Aeronautics Administration is not too well acquainted with that area.

Mr. YOUNG. I wish the committee were as generous with their appropriations as they are with estimates of the population of the city of Elko.

Mr. ROONEY. It is not a question of generosity; it is a question of trying to do the right thing by the taxpayer.

Mr. YOUNG. That is all we are asking, what the Administrator certified.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada [Mr. YOUNG].

The amendment was agreed to.

The Clerk read as follows:

MARITIME ACTIVITIES

SHIP CONSTRUCTION

Mr. WIGGLESWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 6, line 11, after the words "ship construction" strike out all of lines 11, 12, and 13, and insert in lieu thereof the following:

"For payment of construction-differential subsidy and cost of national defense features incident to construction of four passenger-cargo ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for reconditioning and betterment of not to exceed four ships in the national defense reserve fleet; and for necessary expenses for the acquisition of used tankers pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national defense features incorporated in new tankers constructed to replace such used tankers, $82,600,000, to remain available until expended: *Provided*, That transfers may be made to the appropriation for the current fiscal year for 'Salaries and expenses' for administrative expenses (not to exceed $500,000) and for reserve fleet expenses (in such amounts as may be required), and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses: *Prorided further*, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the 1936 act."

Mr. TABER. Mr. Chairman, I make the point of order that the amendment contains legislation. The language "and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses" makes it clearly subject to a point of order.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard on the point of order?

Mr. WIGGLESWORTH. Mr. Chairman, the language submitted is the language that was received from the Bureau of the Budget. It seemed to me that if this step was to be taken this was the desirable way to do. However, if the gentleman from New York insists, I concede that the language in question is subject to a point of order.

The CHAIRMAN. The Chair sustains the point of order on the ground that the amendment does contain legislation.

Mr. WIGGLESWORTH. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 6, line 11, after the words "ship construction", strike out all of lines 11, 12, and 13, and insert in lieu thereof the following:

"For payment of construction-differential subsidy and cost of national-defense features incident to construction of 4 passenger-cargo ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for reconditioning and betterment of not to exceed 4 ships in the national-defense reserve fleet; and for necessary expenses for the acquisition of used tankers pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national-defense features incorporated in new tankers constructed to replace such used tankers, $82,600,000: *Provided*, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the 1936 act."

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes, if necessary.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, the able subcommittee in charge of this bill has effected reductions to the extent of $766 million. That is a reduction of 40 percent in the total requests considered. The amendment which I now present would restore to the bill 4 percent of the 40 percent which would otherwise be deducted.

I offer this amendment in the interest of national defense. I offer it in order that the funds requested by the President of the United States may be made available for deficiencies in our merchant marine and to help meet the desperate situation confronting shipyards today which are essential to national defense.

One year ago the Department of Defense estimated an official deficiency in merchant-type vessels to the extent of 214 ships, including 43 large tankers, 6 large passenger-cargo ships, and 165 ships of other types.

The request which the President makes, which is represented by this amendment, presents a modest program of ship construction, not of 214 ships, but of 14 ships, including 10 new, large tankers and 4 new, large passenger-cargo ships, all to be built in our American yards.

Time and time again, Mr. Chairman, the urgent and immediate need for fast, modern, large tankers has been presented by Department of Defense officials to the Congress.

We have been told that those tankers which we now have are fast becoming obsolete, and that they are too slow for modern requirements.

We have been told that there are practically no tankers of any description in our Reserve fleet.

We have been told that we do not have enough tankers on hand to meet an initial mobilization impact.

Listen to the words of our very able Deputy Secretary of Defense, Secretary Anderson. On July 23, 1953, when he was Secretary of the Navy in a letter to the chairman of the Committee on Merchant Marine and Fisheries, he wrote in part as follows:

I feel that I would be derelict in my duties as Secretary of the Navy, if I did not take this opportunity to strongly support the need for prompt construction of new tanker tonnage under the United States flag.

As you are aware, there are no United States flag tankers in reserve either in the Navy or national defense reserve fleet. Construction of military and civilian mobilization requirements, capabilities of existing tanker tonnage, anticipated losses due to enemy action, increased military demand for large quantities of petroleum products, as a result of technological advance in aircraft and other military equipment, and the time required for new construction all lead to the conclusion that the Government should promptly take such steps as are practicable to promote the construction of new tanker tonnage under the United States flag prior to mobilization.

The need for new, fast passenger cargo ships has also been repeatedly emphasized over the years.

I am advised that as of today in terms of trooplift capacity, we have just about 50 percent of what we had prior to World War II.

Why are these four particular ships required now?

They are required to replace five ships, each one of which is overage, each one of which is operating under waivers, the owners of each of which are under obligation to replace these ships at this time as a result of contracts with the Government.

Where will these ships be built, Mr. Chairman? They will be built in American shipyards, which are essential to our mobilization base in the interest of national defense.

What is the situation with reference to those shipyards today? It is a desperate picture.

The shipbuilding industry is perhaps the No. 1 industry in this country today in terms of distress. It was designated officially as a distressed industry 2 years ago and conditions are far worse today.

I am advised that not a single commercial contract has been placed in these private yards during the period of the past 18 months.

Of the 29 ships on the ways nationwide at this time, all except two will be completed in the next 150 days. There will only be two on the ways after December 31.

Unemployment figures among our skilled workers in this field so essential in time of emergency are becoming tragic.

Let me quote briefly from Admiral Leggett in this connection.

In a statement before the House Committee on Merchant Marine and Fisheries on April 28, 1954, he said among other things:

The situation today in our private shipyards is so critical that I have grave concern whether the industry can meet mobilization production schedules.

It is apparent that the industry is not prepared today to meet initial wartime requirements. Our private yards now have less than one-third of the total (employees) in December 1941, and a further drastic reduction is expected later on this year as the privately owned and mariner construction now on the ways is completed.

And Mr. Chairman, note this statement, I am still quoting:

I repeat, the Navy is gravely concerned with the plight of the shipbuilding industry which promises to become the most vulnerable area in our entire preparedness program.

Mr. Chairman, I do not say that all shipyards are essential. I do say that it is vital to keep in being all those yards that are essential from the standpoint of national defense.

To allow essential shipyards to fold up at this time, to allow their skilled forces of workers to be dissipated and lost is contrary to our entire national defense policy. In fact, it is suicidal.

All this amendment does is to reinstate the Budget request, the request which the President of the United States has made in order to carry out a modest program of ship construction.

I repeat, the amendment restores only 4 percent of the 40 percent which has been effected by way of reduction in this bill as a whole.

I hope, Mr. Chairman, that the House will see its way clear to go along with this amendment in the interest of national defense.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. ROONEY. First let me reiterate what I said yesterday, that I have an amendment prepared exactly similar to the one now offered by the gentleman from Massachusetts. I shall fully support his pending amendment, as will many of us on this side of the aisle. I will go a bit further, though, and propose an amendment to the gentleman's amendment, adding a further proviso, to wit:

Provided further, That all ship construction, reconditioning and betterment of vessels appropriated for herein, be performed in shipyards in the continental United States.

I wonder whether or not the gentleman would have any objection to such an amendment to his amendment.

Mr. WIGGLESWORTH. I am in entire sympathy with the gentleman's proposal. The only reason that I did not include it in my amendment was that I was advised that it was unnecessary as it was required under existing law.

Mr. ROONEY. There seems to be some question whether or not this provision is necessary. I have been told that perhaps it is not, but to insure the fact that these vessels would be built in American shipyards in the continental United States and so there is no doubt about it, I am going to offer this as an amendment to the gentleman's amendment. I know he will accept it and vote for it, because we have been in thorough agreement with regard to this subject all along, not only on the American merchant marine but with regard to the American shipyards.

Mr. WIGGLESWORTH. The gentleman is correct.

I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I want to congratulate the gentleman for his fine statement, and I shall support his amendment as amended by the gentleman from New York.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Maine.

Mr. HALE. I want to compliment the gentleman for introducing this very constructive and necessary amendment and I sincerely hope it will prevail.

Mr. WIGGLESWORTH. I am grateful for the gentleman's support.

Mr. JAMES. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Pennsylvania.

Mr. JAMES. I want to associate myself completely with the statement that has been made by the gentleman from Massachusetts, and to urge support of the amendment he has offered. I would very willingly vote for the amendment to the amendment that has been suggested by the gentleman from New York [Mr. ROONEY].

Mr. WIGGLESWORTH. I thank the gentleman from Pennsylvania.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. SCUDDER. I wish to associate myself with the gentleman's amendment. It is a very worthwhile amendment, and I believe the safety of our country makes it necessary to have a proper merchant marine.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I would like to compliment the gentleman on his very fine statement. There is one point that could be made. If we can keep our mobilization base within the confines of the continental United States, we will then be able to have a potential that will not be as vulnerable as we have been in building our mobilization bases in Europe and in other places in the world.

Mr. WIGGLESWORTH. I thank the gentleman from Maryland, who has had such wide experience in the field of national defense.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I also want to congratulate the gentleman from Massachusetts on the comprehensive statement that he has made. He has put his finger on the real necessity for his amendment. First, that there is need for ship construction.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(By unanimous consent, at the request of Mr. WOLVERTON, Mr. WIGGLESWORTH was granted 2 additional minutes.)

Mr. WOLVERTON. The gentleman has put his finger on the two important features that sustain the amendment he has offered; namely, that there is need for the construction of these ships; and, second, there is need for this work in the shipyards of this country if they are to be maintained and their organizations retained in this all-important work. Too frequently we have seen our shipyard organizations dispersed as a result of lack of employment, and this creates a situation that is detrimental to our national defense. It is highly detrimental to our best interests to have organizations such as that which carries on our shipbuilding industry dispersed into other industries. The shipyards abroad are working overtme. They have a tremendous schedule of work. Why our shipyards should be left in the condition they are at the present time is not understandable to me.

I am in full accord with the amendment the gentleman from Massachusetts [Mr. WIGGLESWORTH] has offered and the amendment to that amendment that has been offered by the gentleman from New York [Mr. ROONEY].

Mr. WIGGLESWORTH. I thank the gentleman for his contribution.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mrs. ROGERS of Massachusetts. It is entirely proper and absolutely necessary that we should consider the building of ships in our own country instead of in other countries.

Mr. WIGGLESWORTH. I thank my colleague from Massachusetts.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. ALLEN of California. Mr. Chairman, I think the gentleman should point out that this program involves an appropriation of some additional $70 million. But its expenditure would require that industry contribute on its part in the neighborhood of $100 million in the joint project that would be undertaken.

Mr. WIGGLESWORTH. I thank the gentleman for his contribution.

Mr. CLEVENGER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CLEVENGER. Mr. Chairman, this amendment was offered in the full committee and was defeated. It is a little over 2 years ago—I think this is the third year—since the merchant marine section was transferred over from the Subcommittee on Independent Offices. At that time there were 35 so-called Mariner ships under contract. They cost, in round figures, about $10 million each. They were built in seven shipyards from identical plans, and the cost varied as much as $2 million per ship.

On page 699 of the hearings there occurs this colloquy between Mr. COUDERT and Mr. Rothschild, and I asked one question:

Mr. COUDERT. How many of those ships have been sold to private operators?

Mr. ROTHSCHILD. Three of them, sir.

Mr. COUDERT. Three out of 35?

Mr. ROTHSCHILD. Yes. None prior to my incumbency.

Mr. CLEVENGER. One has been wrecked.

Mr. ROTHSCHILD. Yes.

What is the situation that faces us now?

This bill carries a request for millions of dollars to convert these new ships that have never carried a cargo—31 of them have never been loaded, as far as I know—converted into shape that they might be sold to some shipyards for half what they cost.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I would like to use a little bit of my time.

It is evident that the temper of the House is such that it has forgotten all the election promises of 2 years ago and the balancing of the budget or an honest treatment of the people's money. That is as far from realization here as it could well be.

I ask some of you if you were on this committee and you had this bundle of dirty laundry dumped in your lap, would you rush to appropriate $82 million more to the same crowd that built these Mariners, or misbuilt them?

Just what are we expected to do? Just appropriate in faith, hope, and charity? Is this, after all, a WPA bill to put people back to work? And the cost of them is double what it is in western Europe, and more than that if you compare costs with northern Europe or Japan.

I want to give you just a little idea of the cost of operating these ships, the cost of subsidies; I cannot give the whole picture in 10 minutes, but a few figures, perhaps, for 4 or 5 new liners, these combined passenger-freight ships. I want to give you the history of the *Brazil*, the *Argentina*, and the *Uruguay* of the Moore-McCormack Lines.

Subsidized cost, $10,129,000. Subsidized costs per voyage, $405,195.

Subsidy accrual—I take that to be a credit earned against the ship—$181,000.

The *United States*. You know she cost $75 million. The present owners have $20 million in her and we are negotiating to get them to pay $9 million more. I asked for the subsidy figure for 1953 but got 1952 which was worse.

The subsidy accrual was $2,985,000. The subsidized cost per voyage of the *United States* was $399,906. For the *Independence* and the *Constitution* of the American Export Lines, the subsidized cost per voyage was $322,460 and the total subsidized costs $9,641,326.

Is it not time that someone be asked to investigate the operations of the merchant marine?

I should like to refer to the testimony of Mr. Rothschild in which he admitted that some $3.50 mine peril pay costs were carried indefinitely, for 3 or 4 years, even though the conditions had been remedied. It was only in December last that some of it was taken off, but I have not seen it reflected in the budget. I will take his word for it.

Many of you may have heard a program the other night about the addition of a tanker to the Cities Service fleet steamship *Alton Jones* in New York which carries 14½ million gallons of oil, as much as three ordinary commercial tankers. Is anyone going to stand up here and contend to the Members of the House that our oil companies are not sufficiently prosperous to build more ships like that, even in American shipyards? We must give them a new tanker for two overaged tankers of theirs. Just what right has an Appropriation Committee got, legal or morally, to deal with the American people's money in any such fashion?

It is a strange thing, but we can build a motorcar cheaper in the United States than any place else in the world. We can build most everything in heavy industry cheaper. But why is it that we cannot build a ship for less than twice as much as what it would cost in any other country? There must be something wrong somewhere. There must be something wrong in the negotiations, there must be something in the American process that is wrong.

If we are going to be competitive in this world, it seems to me we ought to cut out all of the embroidery and get down to the business of building ships. We are not helping the American merchant marine by pouring more millions into such a trap as this. We are just helping the American merchant marine to commit suicide if we pursue such a course.

Mr. COUDERT asked Mr. Rothschild:

Fundamentally, were they not really built as sort of a boondoggling proposition to keep shipyards going?

Mr. ROTHSCHILD. As I understand it, sir, their building was discussed and induced by the outbreak of the Korean incident.

That was his answer.

Mr. COUDERT. Was it not a fact that the distribution of the construction contract was on some sort of a pro rata national basis and and not on the basis of the lowest bids?

Mr. ROTHSCHILD. They were built in 7 different yards—5 ships each in 7 different yards.

And they were built from identical plans and the costs ran from $7¾ million to $10½ million each.

What kind of an operation are we expected to engage in as an Appropriations Committee? We run a good laundry down there in that committee and we always have, we wash with Ivory soap everything, but we do not guarantee it not to shrink.

A moment ago a gentleman spoke of this as being only 4 percent of the savings. There has been nothing saved in this bill up to this time. The spenders have been in control on this floor. Once again I want to remind you that within 2 or 3 weeks you will be out on the platform again, you will be campaigning for Eisenhower, or most of you will, which would justify your being returned to this House. Just how are you going to square an unbalanced budget? We have been running wild all this year, and we are coming back now to supplementals, always saved to the last. Is there a man here that did not promise to balance the budget? I know it is almost useless to appeal to you, in the temper you are in, but I am not ready to embark on a WPA in connection with ships or anything else. I think this country is fundamentally stronger than that. I want to remind you that when I came down here there was a school man from Gary who thought it was incredulous when he was told that they had the then President in the middle of a swift stream. Well, they got the next President in the middle of the same swift stream and in the next 7½ years he spent more money than all of the previous Presidents put together. Now we have a man stronger and wiser than either of them, Dwight D. Eisenhower, and I want to get him out of that swift stream and get him on solid shore with a balanced budget, sound fiscal policies, the same forces are playing upon him and he needs the support of solid citizens of both parties.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Chairman, at the outset I must observe that my good friend and chairman, the very sincere gentleman from Ohio [Mr. CLEVENGER] has been utterly consistent over all these years insofar as any spending of taxpayers' dollars is concerned. It is all right to be consistent, and it is all right to be conservative but not to the extent that the distinguished gentleman would bring us. Now, today you observed that he was against the census of business, manufactures, and mineral industries which has been demanded by businessmen and chambers of commerce throughout the country, and which was so eloquently pleaded for here by a number of Members on the majority side of

the aisle. He was against aviation, and now he is against the American merchant marine.

First, let me explain the amendment which I shall presently offer and which is now at the Clerk's desk. It is a perfecting amendment to the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH]. It provides that with regard to whatever moneys are appropriated herein for maritime activities, for the construction, reconditioning, and betterment of vessels, that the work shall be performed in American shipyards in the continental United States. My reason for offering this amendment is this: It has come to my attention that at the present time there is being built or about to be built in Communist Yugoslavia two mine sweepers out of funds of the Federal Operations Administration off-shore procurement program. I do not feel that we should use the American taxpayers' moneys for the construction or reconditioning of these vessels at any shipyard other than in our almost idle shipyards in the continental United States. We now have gross unemployment in them. They are working at such a low capacity that it is utterly dangerous to our national defense. They tell us that in time of war our working force can only be expanded in the area of 12 to 14 for 1. In our hearings it was pointed out that instead of having a minimum required work force of 36,000 skilled mechanics at all times in our shipyards we shall be down to about 1,200 or 1,500 in 1955.

I intend to insert later at this point some of the testimony given on June 16, 1954, by Maritime Administrator Louis Rothschild to the Subcommittee on Appropriations headed by my friend, the gentleman from Ohio.

Mr. ROONEY. First let me say, thank God, and the wisdom of Congress for the 1936 Merchant Marine Act, otherwise the American merchant marine today would probably consist of three whaleboats.

Mr. Administrator, the shipbuilding business is one dependent upon highly skilled employees, is it not?

Mr. ROTHSCHILD. Yes.

Mr. ROONEY. These shipyards have a great deal to do with the economy, not only of our Nation, but of the communities in which they are located?

Mr. ROTHSCHILD. Yes.

Mr. ROONEY. They employ a great many people, and the payrolls in those yards and the work done there have a great effect upon the local economy as well as the national economy, does it not?

Mr. ROTHSCHILD. I think that is correct.

Mr. ROONEY. In the event of a national emergency it is imperative that we have these yards ready with skilled workers; is that correct?

Mr. ROTHSCHILD. May I comment on that a moment, sir?

Mr. ROONEY. Am I correct?

Mr. ROTHSCHILD. "Yes" is the answer to the question.

Mr. ROONEY. Do you want to elaborate on that?

Mr. ROTHSCHILD. If I may.

There has recently been made and distributed a report on the merchant marine, the first one, by the way, which has been done since 1936. It is a joint effort of the Office of the Under Secretary of Commerce for Transportation and the Maritime Administration. In that we quite carefully examine the shipbuilding potential of the country, and we find that in order to have enough people who know how to build ships when we need them in time of war we must not let our in-between war work force get below 36,000 people, because a working force can only be expanded in the area of 12 to 14 for 1 in time of war.

Mr. ROONEY. And to permit it to go below that would be dangerous to the very life of our Nation, would it not?

Mr. ROTHSCHILD. That is correct.

Mr. ROONEY. Particularly in these turbulent and chaotic times?

Mr. ROTHSCHILD. At any time, and we are below that figure today.

Mr. COUDERT. I am always interested in the observations of the gentleman from New York.

Mr. ROONEY. A great many of my people over in Brooklyn, and in the Red Hook section, rather than those on Park Avenue, would thoroughly understand this. All of the shipyards in Brooklyn are located in my district. I know what it means to have a dead waterfront. I know what it meant years ago to see the piers and no ships at work.

Mr. COUDERT. The second question of the gentleman from New York to the Administrator that raised the importance of maintaining our shipping industry, which he has pointed out with his usual dramatic eloquence—well, we have a steel industry, we have an automobile industry, we have other highly technical mass-production industries, large-scale industries, which do not require a subsidy.

NECESSITY FOR SUBSIDIES

Mr. Administrator, why is it that the shipping business is so wholly dependent upon subsidies? Is it that the shipping industry has allowed itself to become antiquated and obsolescent and has failed to develop new techniques and methods of operation and construction so, unlike the automobile industry, the steel industry, and others, they are unable to compete with foreign competition?

Mr. ROTHSCHILD. There are two easy answers to your question. No. 1 shipbuilding is not a mass-construction industry that can be compared to the others that you mentioned. Ships are built in small numbers. Even a large shipbuilding contract is for small numbers of ships by comparison with automobiles.

Mr. COUDERT. But a ship is a large thing in itself.

Mr. ROTHSCHILD. But they are handmade.

Mr. ROONEY. And there are many and varied skills involved in the building of a ship, some of them used at one point of construction and not used at another point; maybe down toward the end of construction when it comes to the fitting of the ship, you do not have 90 percent of those who had worked on the ship when it was originally started. Is that correct?

Mr. ROTHSCHILD. May I answer the second part of Mr. COUDERT's question?

Mr. ROONEY. Wait just a minute. I have one hanging fire and I would like an answer to it.

Mr. ROTHSCHILD. There are peaks and valleys in the shipbuilding industry.

To answer Mr. ROONEY's question, there are varying skills involved in the building of a ship. As to how they progress and what percent of them is involved at one period or another, I am not qualified to answer.

* * * * *

Mr. ROONEY. Mr. Administrator, other nations subsidize their merchant marine, do they not?

Mr. ROTHSCHILD. Yes.

Mr. ROONEY. Please address yourself to that subject and tell us what these other nations do—generally speaking.

Mr. ROTHSCHILD. They use all of the devices which are used by governments in subsidy areas, Mr. ROONEY. They give financial aid in the matter of supplying funds; they pay subsidies on the construction side; they give depreciation schedules far greater than American depreciation schedules, and they do various other things in that same general area—not all nations do all of them, but some nations do all of them.

Mr. ROONEY. Is it not worth some dollars and cents, insofar as payment of an American operating subsidy is concerned in connection with the liner *United States*, to have that liner, the queen of the American merchant marine, on the high seas visiting foreign ports? That is worth something that cannot exactly be measured in dollars and cents, which adds greatly to the prestige of this Nation in these times; is that not correct?

Mr. ROTHSCHILD. That is absolutely correct, and it is conceivable to me in time of war the *United States*, which can carry as many troops as it can, might be even more valuable than any war vessel which we own.

Mr. ROONEY. Exactly. Now, Mr. Administrator, I have examined your statement, and since I am one who in my 10 years on this committee has never liked the words "estimated at," or "approximately," I must say that I find that all of your figures are broad estimates; they are all in rounded millions or half millions, and I suggest you give us further definite facts.

This record should be made to contain the real McCoy when it comes to these figures so we will all know with regard to each of them whether or not they are firm figures, or broadside estimates amply padded upward.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Ohio.

Mr. CLEVENGER. The gentleman said a moment ago that I was against aviation. The gentleman has served on the committee with me for several years and knows that we were doing things long ago for American aviation, for safety in the airways and on the airfields, and for the expenditure of money where the traffic was heavy. He knows he is unjust when he made the statement that I was against aviation.

Mr. ROONEY. Perhaps I was a little too loose in the choice of my language, I will say to the distinguished gentleman from Ohio. I did not mean to be unkind to him. The distinguished gentleman just does not want any money added to this bill although the President of the United States on yesterday as I informed the House, told the leadership on that side of the aisle that they must restore $93 million for maritime activities and for aviation.

Does the gentleman mean to say that the President of the United States yesterday morning down at the White House in talking to his legislative leaders was advocating a WPA project for the American merchant marine?

Mr. CLEVENGER. Not being present, I do not know.

Mr. ROONEY. I made a similar statement here on the floor yesterday, shortly after noon, and it was verified by the press in all the afternoon papers. This morning's newspapers again stated that there was such a conference at the White House and that the position taken by the President was that these funds must be added to this bill, not in the other body, but in this House. Does the gentleman mean to say that the Presi-

dent is engaged in boondoggling when he advocates the expenditure of $82,600,000 for maritime activities?

Mr. CLEVENGER. I did not say so and the gentleman cannot put words in my mouth.

Mr. ROONEY. When the gentleman opposes this pending amendment which the President has asked for, does he not, in effect, accuse him of starting a boondoggling project?

Let me say to the gentleman with regard to his ill-advised remarks on labor in the shipyards and his statement that he does not understand why we cannot build ships at the same cost at which they are built in foreign shipyards: I daresay that if the gentleman inquired around, he would find that every other Member of this House knows the answer to that question. They do not pay the wages in foreign shipyards that are paid in American shipyards. Our standard of living, thank God, is higher and entirely different from what it is in foreign countries. Is there anything very wrong about that? So what are you going to do about it? Are you going to stop building our own ships? I understand that at the present time in Great Britain alone there are about 550 ships on the ways. How many ships are on the ways in the United States? How is one supposed to feel when he sees, as I did on television last night, the brand new luxury Italian liner *Cristoforo Colombo?* I give Italy and the Italian people great credit for building that liner, which has just come off the ways and which is making her maiden trip. But what has the American merchant marine outside of the liners *United States, America, Constitution,* and *Independence?* Why is it that we carry only a small share of the trans-Atlantic passengers?

Does the gentleman not think it is worthwhile to have the American flag flying over representative vessels putting in at ports of call throughout the world, for American prestige? Does he not think that this is worth something in dollars and cents at a time when the world is so chaotic and when we have such dangerous international complications as have developed within the last year?

Would the gentleman defy the President, or is he going to be so bold and reckless, as I suggested here yesterday, as to stand up and support the President of the United States?

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Washington.

Mr. PELLY. The gentleman mentioned the figure 500 as the number of ships being built in English shipyards. Is it not true that 120 of those are being built for Americans?

Mr. ROONEY. They are being built with American money, there is not a bit of doubt about that.

Yesterday, in connection with the American merchant marine, I said you would be decimating it if you refused these ship-construction funds. I fear that that was an understatement so far as this situation is concerned. I should have said you would be destroying the American merchant marine.

Mr. PELLY. Is it not true that the foreign shipyards have a 2 years' backlog of work, when by October we will have only 3 ships under construction in our own shipyards?

Mr. ROONEY. I believe that is so, may I say to the gentleman, and I compliment him on being interested in unemployment in the shipyards, as he should be.

Mr. Chairman, I urge the adoption of the pending amendment of the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the perfecting amendment which I shall offer.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes, 5 minutes to be reserved to the gentleman from Missouri [Mr. CANNON].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. TOLLEFSON].

(Mr. YOUNGER, Mr. SEELY-BROWN, Mr. SCUDDER, Mr. DORN of New York, Mr. ALLEN of California, and Mr. PELLY asked and were given permission to yield the time allotted to them to Mr. TOLLEFSON.)

Mr. TOLLEFSON. Mr. Chairman, let me first express my appreciation to those Members who have yielded their time to me, as I did hope I would get more than the short time allotted to me to say something about this item in the appropriation bill.

I am satisfied that the gentleman from Ohio, who is the chairman of the subcommittee handling this matter, has no desire to destroy or kill the American merchant marine. I feel that he does not have complete understanding of the American merchant marine.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. TABER. Does the gentleman realize that this amendment, and the operation of the subsidy system, is rapidly driving the American merchant marine off the high seas?

Mr. TOLLEFSON. No; I do not.

Mr. TABER. Well, the statement I have made is correct.

Mr. TOLLEFSON. I would dispute the gentleman's word, or rather the position that he has taken with respect to that argument. Let me discuss this matter just a moment. I started to say that I am satisfied that the gentleman from Ohio does not understand that the American merchant marine is the fourth arm of our defense, and is so considered by the military authorities of our Nation. At the conclusion of World War II the admiral in charge of naval operations made the statement that if it had not been for the American merchant marine fleet, the Navy never would have been able to accomplish its mission in Europe. You do not fight a war without a merchant fleet. The Navy does not carry the men and the materials and guns and whatnot to the farflung fighting fronts overseas. Those items of war are carried by the American merchant marine. The military recognizes that fact. In recent months the National Security Council, the Office of Defense Mobilization, and military representatives have made it clear that there is—

First. A serious deficiency of tankers in our reserve fleet.

Second. They have made it clear that we need some high-speed new tankers which might have an opportunity to evade the attacks of submarines operated by the enemy.

I do not know whether the House knows it, but today Russia owns six times as many submarines as Germany did at the outset of World War II.

Third. The agencies that I have mentioned have indicated they recognize the plight of the commercial shipbuilding yards in the United States.

My colleague, the gentleman from Massachusetts, made reference to a statement made by Admiral Leggett to the effect that the private or commercial shipyards promise to be the most vulnerable area of our whole defense program. Now, Admiral Leggett did not say that the most vulnerable area was the possibility of the shortage of battleships, tanks, and guns and so forth. He said it was the plight of our commercial shipyards. The President recognizes that and so he sent to the House through the appropriate agencies two tanker bills. One went to the Committee on Armed Services and one to the Committee on Merchant Marine and Fisheries. Both of those tanker bills were approved by the House without a single negative vote. They passed the House without a single negative vote on the theory that we needed those tankers as a matter of national defense. Some reference has been made to operating subsidies here and to construction subsidies. Let me say with respect to the tanker bill of the Committee on Merchant Marine and Fisheries there is not 1 penny of construction differential subsidy. All that the Government is doing is buying for about one-third the cost of construction these tankers, from operators who agreed to build new high-speed tankers. There is not 1 penny, as I have stated, of construction differential subsidy in that bill.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. SHELLEY. And contrary to the statement previously made, these tankers which are to be turned in are not overage, but rather are underaged tankers, is that not correct? And they also have some useful life remaining in them and will be held in reserve.

Mr. TOLLEFSON. That is correct. They have at least one-half of their useful life left in them. The Navy testified before our committee that they will be a welcome addition to the reserve tanker fleet.

Some reference has been made to operating subsidies. The gentleman from Ohio made some mention of that. Let me say that there is not 1 penny of operating subsidy in this bill nor in this amendment. There is no operating subsidy in connection with the construction of these ships. So that argument is a diversionary argument, and is merely a straw man. The gentleman from Ohio criticized the Mariner construction

program. I am quite amused at that because those mariners were built at a cost of $350 million, and the program was sponsored by the Committee on Appropriations itself. Those mariners were not built under legislative authority emanating from the appropriate legislative committee of the Congress, but they were built under a rider attached to an appropriation bill, and our committee has nothing whatsoever to do with it.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. ALLEN of California. Is it not true that under those circumstances the 10 tankers and the 4 passenger ships that will be built will be built by private industry suiting the vessels to the need of the trades rather than being built by the Government, as was the case with the Mariners?

Mr. TOLLEFSON. That is correct. Had the mariner program come through the proper legislative committee, I am satisfied we would have had a mariner construction program that would not receive the criticism it is receiving today. But I want to emphasize the fact that that was a matter that came out of the Appropriations Committee, not out of the appropriate legislative committee of the House.

I want to say a word about the four liners that are proposed in the bill under this item. Those liners must be built under a contract which the operators today have with the Government. The present liners are about 24 years old and 2 of them are being operated today under waivers from the Coast Guard because they do not meet the safety requirements for operating ships at sea. The two Grace Line vessels do meet Coast Guard requirements. Recently the Coast Guard have said they did not know how much longer they could continue to waive safety requirements. As I have stated, the Government has entered into a contract with these operators whereby the operators are compelled to replace the four liners. This is the means by which they hope to replace them. These liner operators will put up 55 percent of the construction money.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield.

Mr. McCORMACK. There are certain indisputable facts that prompt the adoption of the Wigglesworth amendment, and I hope also the Rooney amendment. First, the private shipyards in the country are in bad shape.

Mr. TOLLEFSON. That is correct.

Mr. McCORMACK. Second, the President recommended it himself.

Mr. TOLLEFSON. That is right.

Mr. McCORMACK. Certainly the President took into consideration not only budgetary conditions but the necessity of trying to do other things that will help our private shipyards and at the same time inure to the benefit of our national defense.

Mr. TOLLEFSON. That is correct. And the Congress itself has acted upon the two tanker bills.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to yield the time allotted to me to the gentleman.

The CHAIRMAN. Without objection, it is so ordered.

Mr. TOLLEFSON. I thank the gentleman.

Mr. O'NEILL. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. I want to subscribe to the remarks of the gentleman. I realize he knows this problem thoroughly. I agree particularly with the remark which I think many Members have overlooked, that the merchant marine is the fourth arm of our national defense.

(By unanimous consent, Mr. O'NEILL and Mr. DEVEREUX yielded the time allotted to them to Mr. TOLLEFSON.)

Mr. TOLLEFSON. There was one thought that I neglected to mention, and that is a simple one. If the Congress subscribes to the theory that our American marine fleet is the fourth arm of defense—and we need one indeed—and that has been the philosophy of this Congress in the 1936 Merchant Marine Act and it was the philosophy expressed in the 1920 Merchant Marine Act—if the House subscribes to that philosophy, it must come to this conclusion: If we are going to have an American merchant marine, there is only one way we can have it, and that is by Government assistance. We cannot build ships as cheap as they can be built in foreign shipyards. Therefore, we need a construction subsidy. Nor can we operate our ships as cheaply as foreign nations can, and therefore, we must have operation subsidies. The Congress has recognized that. Why should we abandon that philosophy now? It has proven itself to be worth while.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman has just referred to the fact that the Congress had adopted a policy, and in support of that policy the Congress has authorized and voted subsidies.

Mr. TOLLEFSON. That is correct.

Mr. COUDERT. Would the gentleman mind telling the House what, if anything, either his committee has recommended or the Congress has done beyond mere subsidy to compel improvement in efficiency and economy in the operation of construction of ships?

Mr. TOLLEFSON. From the standpoint of legislative action, of course we have done nothing to compel any operating economies. But our committee constantly insists upon the Maritime Administration doing so.

Mr. COUDERT. Has any Government agency to the knowledge of the gentleman from Washington done anything to bring about economies and improvement in operations? Or done anything beyond recommending more, bigger, and better subsidies?

Mr. TOLLEFSON. From the testimony before our committee I am convinced that the present Maritime Administration is constantly stressing the need for economy in operation of the American merchant marine.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from California.

Mr. SHELLEY. In answer to the question just put by the gentleman from New York [Mr. COUDERT], the answer is that the General Accounting Office has come up with constructive criticisms in the operation of the entire program which have been accepted.

The CHAIRMAN. The gentleman from California, [Mr. SHELLEY] is recognized.

(By unanimous consent, Mr. CONDON and Mr. YORTY yielded their time to Mr. SHELLEY.)

Mr. SHELLEY. Mr. Chairman, I must congratulate the Appropriations Committee on exceeding the expectations of the distinguished gentleman from New York [Mr. ROONEY] when he said on the floor of the House the other day that the committee under its present leadership would not approve enough money to build three whaleboats. In comparison with that expectation they have been absolutely munificent in approving $11,100,000 for four Liberty ship conversions under this bill. But, when we compare this puny appropriation with the very modest request by the Maritime Administration for $82,600,000, or with the far greater needs of our shipping lines, our reserve fleet, and our shipbuilding industry the committee has done next to nothing.

Mr. Chairman, comment was made that only 3 out of 35 Mariners have been sold. That is true because as soon as the Mariners were finished they were immediately taken over by the United States Navy for operation in the hauling of supplies to Korea. It must be remembered that the Mariners were started just as we got into action in Korea. Those finished were turned over to the Navy for 6 months' operation on test runs for the hauling of troops, equipment, and supplies on all of the seas of the world.

Only three have been sold because since the time bids for their sale were called for one company on the Pacific coast asked for the three. Several other companies are now negotiating for the purchase of Mariner vessels with modifications to meet the requirements of the trade routes in which the vessels will be used.

Comment was made that none have ever been loaded. The fact is that as fast as they have been finished they have been outfitted and made ready for sea and used by the military and they have proved to be very valuable ships for military purposes.

As to the four passenger vessels—the companies which operate these subsidized vessels are required by the law enacted by Congress and now referred to as the Merchant Marine Act of 1936 to replace their vessels when they are 20 years of age, and what the committee

proposes to do is to renege on a Government contractual responsibility. They are under contract with us—the Government of the United States to do what the Wigglesworth amendment will allow to be done. By adopting the amendment we are keeping our part of the contract. What, in heavens name, is wrong with that?

We have not the passenger ships. During World War II we paid to the British Government $125 for every commissioned officer and $100 for every enlisted man who traveled on the *Queens*. We paid over a billion and a quarter dollars to the British Government because we did not have the passenger ships. A board composed of representatives of the Departments of Commerce, Navy, Army, the Munitions Board, and other governmental agencies immediately after World War II made a report emphasizing the shortage of passenger vessels available to the military in the event of another war and calling upon the Congress to make available money and a program for the building of such vessels so that the situation in which we found ourselves at the outbreak of World War II would not occur again.

The Merchant Marine Committee and the Federal Maritime Administrator are endeavoring to correct that situation at the lowest possible cost to the American taxpayer and in complete conformity with the law as it exists and as it has existed.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. SEELY-BROWN. Is it not true that that program is less costly to the American people than the old program operated on the boom-and-bust concept?

Mr. SHELLEY. The gentleman is absolutely correct. Here we are engaging in an orderly replacement program whereby we take out of service old and obsolete vessels and build in their place a new vessel, modern for military conversion and usage—fast and able to travel without convoy—outfitted to handle passengers in peacetime or troops in wartime comfortably and safely. We keep our commercial sealanes open and meet a defense need with a graduated program instead of repeating the mistakes of World Wars I and II. What were those mistakes? They have been mentioned on this floor many times—the country found itself twice in a generation involved in world wars and without a merchant marine. Friendly countries couldn't help us. We had to build at any price any kind of vessel to meet the immediate emergency. As a result we boomed the cost up and paid $10 instead of $1, and we busted the fleet later because they did not meet commercial needs. I think that is what the gentleman means, and he is absolutely correct. This approach is the logical way to prevent a recurrence of that type of situation.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized.

Mr. GROSS. Mr. Chairman, the gentleman from New York [Mr. ROONEY] and others on the floor this afternoon have expressed their indignation—and justifiably so—that ships are being built in foreign yards while our yards remain idle.

I have protested that situation on the floor of the House as the Members well know. I will further say to the gentleman from New York that I have protested this sugar-coated proposition of off-shore procurement repeatedly on the floor of the House; and I will say to him and to others who have voted for these foreign giveaway programs in the past, that as you continue to vote for those programs in the future you will find your money and the American merchant marine going where the woodbine twineth and the whangdoodle whangeth.

The CHAIRMAN. The gentleman from New York [Mr. COUDERT] is recognized for 1 minute.

Mr. COUDERT. Mr. Chairman, the distinguished gentleman from Massachusetts, and my good friend from New York [Mr. ROONEY] very frankly stated what this operation is. This is simply a relief bill for shipyards. Now, I have no objection to shipyards being put on relief. It may be necessary to have shipyards, but I think probably a cheaper way than putting shipyards on relief that are not able to compete with foreign yards would be to set up schools in which to maintain the mechanics and operators who have no ships to build. All sorts of ways might be considered.

Frankly, my criticism of the whole program is that I have not seen a constructive suggestion in the 8 years I have been here for improvement in the method of the construction of ships. Here we sit in the Congress merely doling out bigger and better subsidies to maintain shipyards that may be for all I know or any of us in this committee knows completely obsolete.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts. If there ever was a time in the history of this Nation when we need to build vessels it is now.

This is not what has been referred to as a WPA program for shipyards. This is a fundamentally sound program. It has a great deal of merit. We need the four passenger ships to replace ones that are practically worn out.

In the committee we have taken particular care to see that there is no subsidy in connection with the tanker bill if it is carried out as the conference report has been agreed on, and I am sure it will be carried out in that manner in the contracts let by the Maritime Commission.

Many in this House never stop to think what would happen to the American economy if it were not for the American merchant marine.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, this shipbuilding program should be initiated immediately. It is necessary to pick up declining employment in the Nation's shipyards. This is particularly true on the west coast where shipbuilding is almost nil and where ship repair and modernization are at a new low. A deplorable condition frought with the hardship born of unemployment.

If we are to preserve the skills peculiar to shipbuilding and the all important know-how we must act with celerity and dispatch.

While the immediate and to be served is important there are other basic reasons that cannot be contravened or disregarded.

A well organized smoothly functioning merchant marine is indispensable to our national economy if we are to develop and hold an overseas market to absorb the great productive capacity of this country. This can be directly translated into jobs in our automobile, refrigerator appliance and other plants producing durable goods. Jobs here are vitally important.

Agricultural surpluses can find markets among the growing hungry populations of the world but we must have ships to carry them overseas.

Our commerce must not be at the mercy of nations no matter how friendly who control world shipping. We must have American ships to maintain the freedom of the seas and our proper place among the nations of the world.

As a member of the Armed Services Committee of the House of Representatives I am mindful of the pertinent and compelling reasons for a vigorous, stable merchant marine as an integral part of our Defense Establishment. Two world wars have taught us the value of having ships, ships, and more ships.

A healthy merchant marine is more than just ships. It is the terminals, docks and the ancillary services used by ships. We need the yards and docks to build, repair and maintain a fleet of vessels, too.

We must, above all, preserve the men with the skills peculiar to the sea be it as sailors, radio operators, ships' officers or engine room crews. A knowledge of electronics is as important on sea today as a knowledge of cordage. The art of building ships can be lost unless we continually exercise it.

That is why, Mr. Chairman, I said in the beginning that we need a shipbuilding program now to pick up the waning employment in our shipyards.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, it is rather astounding to me this afternoon to sit here and hear some of the statements that have been made by members of the Appropriation Committee as to the lack of necessity for a merchant marine or a shipbuilding program. I wish that those who have the responsibility of deciding these questions from an appropriations standpoint would take time out and visit shipyard localities and see for themselves why it is so necessary to keep together shipbuilding organizations. There is no industry in this Nation of ours that requires so many varied

types of craftsmen as is the case in the building of ships.

You cannot train such workers overnight. They require long years of apprenticeship and training, and the failure to do that creates a situation which was mentioned by the gentleman from Connecticut [Mr. SEELY-BROWN]. A failure to keep up an efficient working force in our shipyard industry creates a boom or bust situation insofar as a working organization is concerned, resulting in the industry being busted, weak, and inefficient for lack of organization when a real emergency arises that needs ships built in a hurry.

This idea of cutting down appropriations for ships, both naval and commercial, with the idea that it saves money is an unwise policy. It is pennywise and pound foolish.

How well I remember the situation that confronted us when World War I broke suddenly upon us. It caught us with neither an adequate Navy or merchant marine to carry our troops and supplies to Europe. Our shipbuilding industry was at a low ebb. We had to send out an S O S for workers to build ships. Shipyards were without adequate organizations to make even a nucleus around which an organization could be met. The call for men to work in shipyards went far and wide. It was desperate because the need was desperate. It brought in men from all over the country who were attracted because of the high pay that was offered. They were accepted regardless of whether they knew anything about ship construction. Hatters, waiters, trolley car operators, shoemakers, tailors, bakers, butchers, candlestick makers. The variety was such that it would be impossible to describe them all.

Could these men build ships? Of course not. They had to be trained over long periods of time even for the smallest task. All of the time they were being paid the high wages. This added millions upon millions of dollars to the cost of the ships. And, not only was the money lost the only result. Think of the delay that was caused while all of this training was going on. The net result was a tremendous loss of money and a great increase in cost of every ship.

Did we learn our lesson from all of this? I regret to say we did not. When World War II came upon us we were again caught without an adequate number of either fighting ships or merchant marine. Whereupon we had to go through the same process I have described with respect to World War I. In addition we had to charter ships of foreign nations to carry our troops and supplies while we were busy building the ships which we should have had, but, which we did not have. Expense added to expense as a result of our pennywise pound-foolish policy.

And, now today, notwithstanding the lessons of the past and the present urging of President Eisenhower for an adequate shipbuilding program, the Committee on Appropriations comes before us denying the necessity for a shipbuilding program. And, the committee takes this attitude in defiance of the wishes of President Eisenhower. How long will it take for some people to learn? Ordinarily it would be appropriate to send this bill back to the committee, but it would accomplish nothing. Therefore it is necessary for us on the floor of the House to amend this bill so it will provide a shipbuilding program, at least the start of such a program.

For the reasons I have given, and many more I could give if time permitted, I will support the amendment now under consideration that provides for the building of 4 passenger-cargo ships and 10 tankers. This, together with some repair work on our ships, will provide approximately $170 million worth of work for our shipyards.

If this amendment is adopted in the House and concurred in by the Senate it will preserve our shipbuilding industry and bring joy to the hearts of our shipworkers and their families.

I appeal to the House to adopt this amendment by such a large majority that there will be no doubt as to the policy this House approves.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, the House cannot always be wise, the House cannot always be right, but, Mr. Chairman, it can be consistent.

This House is overwhelmingly committed against subsidies of any character, and yet we have before us here, Mr. Chairman, the greatest subsidy payable to the fewest number of beneficiaries in all the history of legislative gratuities. Fewer men owning these shipyards are getting the largest amount of free Government money of any of the subsidies that we so generously bestow.

This month the House denied the farmer a fair wage for his labor and a fair price for his product on the ground that it amounted to a subsidy. The very name subsidy has been anathema. But it is all right for the gentlemen who own these shipyards and who are making tremendous amounts of money out of them to have a subsidy. I believe, after many years of observation, that there has been more money wasted on these shipyards than on any enterprise in which the United States Government has subsidized.

And, there is another sacred principle which is being violated here—the principle of private enterprise. We are being told all along that business does not want the Government to engage in private enterprise; that they want to be left alone; that they want to be left free to work out their problems without Government interference. That is the stereotyped statement regularly made by every chamber of commerce and of every manufacturers association in the country. They believe religiously in free enterprise. And here we propose to violate every principle of private enterprise by doing for them what they can do for themselves.

Why, Mr. Chairman, in 1953, private enterprise built 15 ships, and already in 1954 they have built 6 more ships. All we have to do is to give free enterprise a chance to go along uninterrupted and unimpeded by Government handouts and they can and will build all the ships we need.

Appalling waste has marked the expenditures of these huge subsidies. They have built ships that were not needed. They have constructed fleets that never sailed.

With the money they hope to receive through this amendment they are proposing to alter the design of ships that are now under construction—ships that have not yet been completed.

Can you imagine any sensible, responsible group of men countenancing such colossal waste and inefficiency?

It was disappointing, too, Mr. Chairman, to note the emphasis placed this afternoon on the fact that the President is displeased with the action of the Committee on Appropriations in reporting out this bill without the ship subsidy in it. The Committee on Appropriations has spent months in investigating, in holding hearings and making studies of this problem. The committee has brought in a recommendation against this expenditure.

Immediately the President sends word up here to disregard the Committee on Appropriations. I yield to nobody in my admiration for and my devotion to the President of the United States. I have supported him when the Members on that side opposed him. But there are three branches of the Government—the legislative, the judicial, and the executive. Why should the executive branch dictate to the legislative branch? Why have any Committee on Appropriations at all?

Mr. Chairman, effort has been made to camouflage this amendment as a labor amendment. As a matter of fact it involves no labor issue of any kind. That has been thrown in here merely to cloud the issue. The great labor organizations, the A. F. of L. and the CIO, have announced no position on it and have taken it up with none of the Members I have heard discuss it.

The beneficiaries are a few privileged shipyard owners who have become accustomed to consider Government handouts as their vested right.

We have denied subsidies to the farmer. We have insisted on free enterprise without Government interference. Let us apply those principles without prejudice or favor. Let us defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, before speaking to the amendment, may I ask unanimous consent that all Members may extend their remarks at this point in the RECORD?

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAY. Mr. Chairman, I rise in support of the amendment.

Our need for a strong, privately owned and operated merchant marine has been recognized and established by law for many years. It has been recognized recently by the President. High Army and Navy officials and officers say that the present condition of the merchant-ma-

rine fleet makes it the weakest link in our national defense. Their testimony was overwhelming and unanimous and there is no evidence to the contrary.

Perhaps we do not have the best possible way of developing and maintaining a strong merchant marine—that is a question for much further study but this is no time to quibble and procrastinate on that score. We must have ships and our shipyards must be enabled to keep their essential skilled workers busy.

The ship construction which would be authorized by the amendment under discussion is a vital part—but only a part—of the overall program that should be started and carried out immediately. Time is one thing we simply cannot afford to lose.

Mr. WILSON of California. Mr. Chairman, I rise to support the appropriation of funds for additional court facilities for the new judges, which are to be appointed as a result of the omnibus judgeship bill which passed earlier this session.

The General Services Administration has asked for $220,000 for additional courtroom facilities to improve the crowded courtrooms in the Federal Building in San Diego, in my district.

Approval of this appropriation will be additional evidence that Congress, the Administrator of the Courts, and the General Services Administration are in agreement that the new judge should sit in San Diego.

Such was the clear intent of the Judiciary Committee and the Congress in approving the omnibus judgeship bill earlier this session. The only testimony presented last year showing the need and requesting the services of an additional judge for the southern district of California was presented by the San Diego Bar Association and other interested San Diego citizens. The committee was impressed by the need shown by the crowded calendar of the one district judge sitting in San Diego. However, rather than writing the place of residence into the bill, as had been done for San Diego's first judge, the committee decided such a policy might lead to additional problems, and eliminated designation of all places of residence for all judges in the bill. In doing so, they left the residence decision to the judicial council, but stated clearly in the report accompanying the bill that the committee was impressed with the need for a second judge at San Diego.

Despite this clear statement of intent by Congress, the judicial council reportedly has left the determination of the place of residence up to the presiding judge in the southern district, Judge Leon R. Yankwich, of Los Angeles. Judge Yankwich appears to have decided to ignore the intent of Congress in the assignment of the second judge. He has made several public statements to the effect that the second judge is not needed at San Diego, despite the fact that a second judge has sat at San Diego almost continuously for the past year or so. In recognition of the caseload at San Diego, Judge Yankwich has assigned a second additional judge on a rotation basis, allowing 8 of the 10 southern district judges to sit for a 3-month period in San Diego, in rotation.

In adopting the policy of rotation, Judge Yankwich is in effect doubling the cost of the second judge Congress has provided for the San Diego area.

The cost of assigning an extra judge to San Diego on a rotation basis amounts to more than double what a San Diego resident judge would be paid. Each judge and his clerks and bailiffs would be entitled to per diem expenses of approximately $40 per day week in and week out, plus mileage at 7 cents per mile to and from their homes, some over a hundred miles away.

This extra cost could be eliminated if Judge Yankwich and the judicial council would follow the dictates of Congress; which has set up the additional judgeship for San Diego's expressed needs, which is today approving the construction of his courtroom in San Diego, and which provides the funds for operation of this court and all courts.

San Diego needs the second resident Federal judge provided by Congress. I submit that any other assignment by the judicial council or the southern district judges would be a capricious, arbitrary, and extravagant decision directly contravening the intent of Congress.

Mr. LESINSKI. Mr. Chairman, this bill, perhaps more than any other we have taken up this session, shows what is wrong with the Republican Party when it is put in charge.

The Eisenhower administration, in the 1952 campaign, attacked all the programs of the Democratic administrations and said they were terrible and would be ended. That was the usual Republican campaign or propaganda and we were all used to that after all those years when the Republicans were out, so we did not take it too seriously.

But the Eisenhower crowd apparently believed their own campaign oratory. When they came in down here they brought in thousands of efficiency experts and big-business men to show how to get the Government out of all of the so-called unnecessary operations started under the Democrats.

Well, all last year the administration was tearing these programs apart and throwing them away as fast as they could find them. The majority in the Congress went along with that idea wholeheartedly and had a wonderful time slashing the appropriations and eliminating programs.

Now, after more than a year of studying the situation, the Eisenhower people discover they made some horrible mistakes. The aviation people came in and told them how wrong they were to kill the airport-aid program. The business people came in and said: "Say, you do not really want to kill off those census studies and statistical reports; business needs them."

The maritime industry came in and said: "Are you fellows aware that you are letting the merchant marine and the shipbuilding industry collapse? You better get busy and get things back on the track."

The hard-money program turned sour and unemployment began to grow and here there was not enough money in the budget for unemployment compensation or veterans unemployment compensation.

So, on one thing after another, the administration had to send up supplemental requests for more funds for these programs. The budget turned out to be full of mistakes, but you can always correct mistakes of that kind by just appropriating enough money in time.

But what happened? The Republicans up here who had been so happy about cutting out all the old Democratic programs suddenly woke up to find that the Republican administration wanted them put back in the budget again.

All this time, our Republican friends up here have been bragging about cutting the budget and cutting out Democratic programs. When anyone complained—particularly any businessmen back home who were damaged in their businesses by these cuts—our good friends on the Republican side had a snappy comeback—they said: "Do you want a balanced budget or not? Do you believe in Republican economy or not?"

What was a good Republican businessman to say to that? Even if it put him out of business, he had to agree economy and a balanced budget were just what the chamber of commerce ordered.

Well, the Republicans are really in a spot now. The President says, just forget some of that stuff last year about knocking out the airport program, or the ship subsidies, or big bureaucracies for employment compensation, or these boondoggling censuses, and so on. We find we made a big mistake. Give us all the money back again.

According to some of the Republicans on the House Appropriations Committee, in the printed hearings on this bill, the lid is off on every foolish thing.

Well, Mr. Chairman, it is not really that bad at all. These things turn out to be not so foolish after all. Maybe there was some foolishness in cutting them so hard before the administration woke up to how important these programs are to business and industry and the general public and also to the security of the country.

Any of our Republican colleagues who feel it might make them look foolish to vote this year for the very things the Eisenhower administration told them last year were not necessary can always tell their constituents they are just following the Republican line.

But the Appropriations Committee apparently believes in following the Eisenhower line in one direction only—toward cutting the budget. So we have this bill before us cutting and cutting the very appropriations the President says must be increased—not lowered.

It is quite a dilemma for a conscientious economizer who has spent years in Congress yearning for Republican austerity budgets and now finding that it costs money to run the Government even when the Republicans are in.

Let us forget the 1952 promises and legislate for the good of America. Otherwise, we could economize the country into disaster.

Mr. CONDON. Mr. Chairman, I subscribe wholeheartedly to the position taken by the gentleman from California [Mr. SHELLEY] and am in support of the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH]. During the emergency of World War II, the Richmond shipyards in my district built more ships than any other yards in the world had ever built in a comparable period of time. It is a shameful folly to see our shipyards fall into disuse and to see the skills which we have developed be dissipated away from the waterfront. I certainly believe that this body must preserve the American merchant marine and our shipbuilding industry by appropriating the money recommended by the President and embodied in the amendment offered by the gentleman from Massachusetts.

"ECONOMY" WHICH WILL HURT MILLIONS OF AMERICANS

Mrs. KEE. Mr. Chairman, the Committee on Appropriations can take all the bows it wishes to for the remarkable economy record it has compiled in reporting out this supplemental appropriation bill. But unless the Congress reverses some of the actions of the committee, millions of Americans will be hurt by this kind of economy.

It is not economy, Mr. Chairman, to leave our women and children and, in fact, all the people of this country, medically unprepared for the unimaginable horrors of atomic or hydrogen attack. True, this bill saves $35 million out of a proposed $60 million for emergency medical and rescue supplies and equipment.

But would it really be economy if thousands or millions were to die for lack of this stockpile of essential supplies? I do not think so. The scientists talk about these horrible bombs in terms like megadeaths—meaning millions of deaths. The committee acted on this matter as if the threat were really far away.

God grant that this might be true. But certainly the world and standards of political morality in the world are not such that we can take this threat calmly or ignore it. We must be prepared to enable our people to survive whatever the future may hold in store. I do not think $35 million would be considered much of a saving if it meant unnecessary loss of many lives for lack of adequate life-saving supplies.

SAVING $119,000 AT THE EXPENSE OF JOBLESS VETS

Mr. Chairman, as a member of the House Committee on Veterans Affairs, I am extremely conscious of the problems of the young ex-serviceman, or the discharged reservist, in trying to reestablish himself in civilian life. It is a particularly difficult task for him right now in many sections of the country, and particularly in States like West Virginia where the incidence of unemployment is very high.

In connection with the regular Labor Department appropriation bill acted on earlier this year, we heard how the Bureau of Veterans Reemployment Rights is running 5 and 6 months behind in acting on the cases of returning veterans who have been unable for one reason or another to get their old jobs back. Now the matter is again brought to our attention in the requests made by this bureau for a supplemental appropriation to bring that backlog closer to a current status. It asks for a very small amount—$119,000. I am amazed that this request has been denied by the Committee on Appropriations.

Are these boys and girls coming back from the service, and denied their rights under the GI bill, to sit and cool their heels for 6 months or more before the Government agency set up to protect their rights can get around to their cases?

Is this economy? I think not.

ALL JOBLESS WORKERS AND THEIR FAMILIES AFFECTED

A further provision of this bill, as it has come from the Appropriations Committee, similarly affects all of the hundreds of thousands of American workers and their families who are dependent upon unemployment compensation.

The President asked for an additional $43 million for the administration of unemployment compensation and the employment services in the various States. The committee has allowed only $4,600,000. Now what does that mean? It means that those eligible for unemployment compensation will have to wait longer for action on their cases. It means they will have to wait longer for their checks. It means they will have to wait longer for any help from the employment service leading toward other jobs.

It means the youngsters coming out of school looking for their first jobs will have to wait in line—way back in the line—for any attention from the overworked employment service people.

Let us go back a moment, Mr. Chairman, and see how this request for additional funds originated. The President says his advisers made a serious miscalculation when the budget was prepared originally in estimating the amount of unemployment we would be having at this time. They did not ask Congress for nearly enough funds for the kind of program now needed—to process the unemployment compensation claims of those out of jobs and help them to get new jobs. But before that admission was made and steps taken to correct it, Congress went ahead and cut what the administration now tells us was already an inadequate figure. So instead of the funds it really needs of about $260 million for the current fiscal year which started July 1, the Bureau of Employment Security will be at least $40 million short—that is, adding up the cuts made in this bill and in the regular appropriation. This kind of economy, Mr. Chairman, hurts people who are most in need of help—those out of work.

ELIMINATING THE NEW HOSPITAL CONSTRUCTION PROGRAM

There are many, many instances of similar economy in this supplemental appropriation bill, Mr. Chairman, and I cannot begin to cover all of them in the time allowed. Other Members, I am sure, will discuss cuts in programs affecting various industries, and so on.

But I do want to make mention of several items which hurt our people on human terms. The Congress has just recently passed, with much ado, an extension of the Hill-Burton Hospital Construction Act to provide for Federal aid for the construction of specialized types of hospitals—diagnostic or treatment centers, hospitals for the chronically ill, rehabilitation facilities, and nursing homes. Now we are asked to appropriate funds to carry out this program. The President asked for only $35 million for construction funds for this purpose for the first year of the new program's operations instead of the $75 million authorized under the new law. The committee, practicing economy, has not voted a single dollar for this purpose. Why did we pass the bill for the program if we do not believe in voting the funds to carry it out? This kind of economy is disillusioning to the folks who thought they would be helped by the new law we passed. But no money is provided to carry out the law.

JUVENILE DELINQUENCY PROGRAM ALSO ELIMINATED

I have called to the attention of the House several times in recent months, Mr. Chairman, the alarming problem of juvenile delinquency and the need for corrective action to prevent this terrible waste of human resources. In my home county we are trying to meet this problem affirmatively on the local level by joint efforts on the part of an aroused and interested citizenry. We are trying to chart a new course in a very difficult problem area. Recently we had Dr. Martha M. Eliot, Chief of the Children's Bureau, come to talk with us and outline some of the areas in which she thought our group action could accomplish the most.

She informed us of big plans in the Children's Bureau for setting up a special program in juvenile delinquency work, to obtain and disseminate information in this vital field the better to help community efforts such as our own program back home. The people in our county were much encouraged by this.

But along comes this bill, Mr. Chairman, acting on Dr. Eliot's request for a modest $165,000 for the juvenile delinquency study by appropriating exactly nothing. Not a cent. So the special study cannot go forward. I do not believe that kind of "economy" is very helpful to the mothers and fathers of America and the teachers and clergy and youth leaders seeking help in curbing a growing national menace of juvenile delinquency.

"LITTLE AID TO EDUCATION" PROGRAM GETS NO FUNDS

A last word, Mr. Chairman, on the matter of help for our hard-pressed schools, now bulging at the seams and with teachers carrying a frightfully heavy pupil load at frightfully low pay.

The administration's approach to this problem has been one of delay and "study." It has avoided any attempt to get help to our schools but has proposed a series of research programs in this field.

With much ado, again, the Congress passed three bills in this area—one for a cooperative program of research with the colleges on educational problems; one for

a national advisory committee to advise the Secretary of Health, Education, and Welfare on school problems, and one for a White House Conference on Education. Out of all of these studies, including the White House Conference a year and a half from now, the administration hoped to get enough information on the needs of education to recommend a Federal policy in this respect.

It has been my position that these programs were woefully inadequate. They "study" a problem we know just about all we have to know about. We know our schools need financial help. How are they to get it?

But little as this aid-to-education program of the present administration has been, it is all we have at this point. It is a puny thing, but perhaps of some use. Not under this bill, however. For under this appropriation bill, not a single dollar is appropriated to carry out any of these programs—not a dollar of the $100,000 requested for the cooperative research program, not a dollar of the $175,000 requested for the national advisory committee, not a dollar of the $1,750,000 just authorized recently for the White House Conference.

The "little aid to education" program, under this bill, becomes the "no aid to education" program. I am deeply disappointed.

Mr. ROONEY. Mr. Chairman, I mentioned in my remarks awhile ago that I had an amendment at the Clerk's desk, which would provide that whatever ship construction or ship reconstruction money is provided in this bill, must be spent in shipyards in the continental United States.

The CHAIRMAN. Does the gentleman desire to offer his amendment now?

Mr. ROONEY. I offer my amendment now, Mr. Chairman.

The Clerk read as follows:

Amendment offered by Mr. ROONEY to the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH]: Add the following: *"Provided further,* That all ship construction, reconditioning and betterment of vessels appropriated for herein be performed in shipyards in the continental United States."

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. WIGGLESWORTH. I will say, as far as I am concerned, that I am very happy to join in that amendment.

Mr. ROONEY. I thank the gentleman. I knew he would.

Mr. Chairman, in my remaining time may I point out with regard to the pending amendment offered by the gentleman from Massachusetts, [Mr. WIGGLESWORTH], that not only the National Advisory Council, but the Defense Establishment is in favor of this proposed ship construction. The Department of Defense a year ago stated that for defense purposes there was a deficiency of 214 merchant vessels in our merchant fleet; 43 large tankers, 6 large passenger-cargo ships and 165 other vessels. If we adopt the amendment of the gentleman from Massachusetts [Mr. WIGGLESWORTH], as I feel we are, we would merely be restoring 14 of the 214 vessels required as a minimum for the national defense.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, we have been monkeying with this subsidy business for a long time. The result has been that we have almost driven the American merchant marine off the seas. There has been no study made, there has been no analysis made of this situation by the Maritime Commission nor the Merchant Marine and Fisheries Committee. If we continue, we are going to drive the American merchant marine off the seas and over to other countries in this hemisphere. I understand that a block of ore boats, to carry 60,000 tons apiece, are being built in Japan and undoubtedly will be operated under the Venezuelan flag, to carry ore from Venezuela to Philadelphia. We are creating a situation under which the American people cannot travel on American ships. It is impossible for them to get dinner after 7 o'clock in the evening.

What bothers me about this situation is that if we go on that way, God help the American merchant marine. Let us try to find a way out instead of trying to dig ourselves in deeper.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I am in favor of this amendment. Each year when we have had the foreign-aid bill before us, I have opposed as strongly as I could, the provision that required that 50 percent of the shipping used in that program be in American bottoms. I did not think that was the fair or right way to take care of our merchant marine. Each year some tens of millions of dollars of the appropriations advertised to the American public as foreign aid was actually money to subsidize our own merchant marine.

But the merchant marine must be taken care of, and this amendment provides a part of the right way to do it. We have got to have an American merchant marine and an American shipbuilding industry. We cannot compete on even terms with the cheap labor of countries which do not have the high standard of wages and of living that we enjoy in the United States. Provisions like those in this amendment are part of the price we pay for our high standard of living and for our national security. I am glad to pay that price.

This is the proper kind of legislation to keep our merchant marine on the high seas, to keep it up-to-date, and to keep it adequate, both because of our commercial interests, and even more as a part of our national defense.

I hope the amendment will be agreed to.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. ROONEY] to the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 117, noes 32.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH] as amended.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 123, noes 41.

So the amendment was agreed to.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. TABER. Reserving the right to object, Mr. Speaker, this is the situation. If we are going to get that foreign relief bill marked up in the Committee on Appropriations, and the House meets at 11 o'clock, it will be impossible to do it before Thursday and we will not be able to report it before Tuesday of next week and take it up on Friday. That is the situation we are in here. I just want to know what the program is.

Mr. HALLECK. I withdraw my request, Mr. Speaker.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have taken this time in order to announce generally to the membership what has been a matter of some discussion among the leaders and the chairman and ranking members of the committees. As I am sure everyone knows, suspensions which were in order for last Monday have been transferred to tomorrow.

We expect to call up under suspension of the rules on tomorrow the bill H. R. 9888, extending the Korean GI bill of rights for 1 year, which has been reported by the committee. We also expect to call up under suspension of the rules, the bill H. R. 9020, having to do with veterans' benefits, amended by the Committee on Veterans' Affairs. We also expect to call up under suspension of the rules what have come to be known as the postal rate and postal pay bill, as reported out by the Committee on Post Office and Civil Service with the amendments which were voted in committee. The suspension will include both of those bills. I

might say that both bills have been reported and the reports are available and will be available in the morning, as well as a committee print which will indicate the final form of the measure upon which the motion to suspend the rules will be made. We also propose to call up under the suspension of the rules the bill H. R. 7130, having to do with forfeiture of citizenship. It has also been suggested to me that if time permits, these bills from the Committee on Public Lands might be called:

S. 2380, to amend the Mineral Leasing Act.

S. 2381, to amend section 27 of the Mineral Leasing Act.

H. R. 8498, authorizing construction of works to reestablish the Palo Verde irrigation district.

S. 3385, providing for more effective extension work among Indian tribes.

S. 2864, to approve an amendatory repayment contract negotiated with the North Unit Irrigation District, and so forth.

As I say, I do not know how many of those we might have time for. I have discussed that with the gentleman from Nebraska [Mr. MILLER] and I thought I might at least list them as a possibility. I might say to the Members on our side, before I conclude, that we hope to have a conference which should not run too long as soon as the House adjourns, which I hope will be shortly.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. I do not believe, Mr. Speaker, that I have ever heard of so many bills proposed to come up on one day under any circumstances, much less under suspension of the rules. I might say also, Mr. Speaker, that I do not think while I was either Speaker or majority leader that I ever called up, or allowed to be called up under suspension of the rules, any bill until I had consulted with the minority leader. If my memory serves me correctly, I never recognized any Member to move to suspend the rules unless it was agreeable to the minority leader. This program is not agreeable to me. I think it is a terrible thing that in order to increase the wages or salaries or compensation of postal employees, we have to throw two bills together. I want to say now for myself, although I do not know what might be the course others may take, if the increases in postal salaries and the increase in rates on postage stamps from 3 cents to 4 cents come up together, it certainly shall not have my support.

Mr. HALLECK. Mr. Speaker, I certainly respect the gentleman's opinions.

I have not checked the RECORD, and certainly I am not going to do so, to determine whether or not the gentleman ever permitted any suspensions when he was Speaker that were not concurred in by the minority leader. As the gentleman knows, as we proceed through the session necessarily there are discussions, because a two-thirds vote is involved, with the minority as to what the situation is, but I have never understood it to be the practice, and certainly it is not in the rules, as we come up to the close of a session with the majority carrying the responsibility for the progress of the program, that we would be subjected to a veto from the side of the minority.

I am not going to argue the merits of these measures at this time, as the gentleman has in some measure, except to point out that similar action was taken in the 80th Congress, and I checked the RECORD and there was not even a rollcall on the passage of measures at that time that involved the matter of rates and pay.

Mr. RAYBURN. The gentleman understands, of course, what happened after the adjournment of the 80th Congress. One of the reasons why I never agreed to recognize anybody for suspension of the rules without the consent of the gentleman from Massachusetts [Mr. MARTIN], was on account of what had happened to me on some of these occasions, and it will probably happen to the gentleman tomorrow.

Mr. HALLECK. I discussed the matter in respect to the veterans bill, to which I have made reference, and it has been the practice, ever since I have been here, to call up those bills under suspension, whether the Democrats or the Republicans were in power.

COMMITTEE ON THE JUDICIARY

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

BRIEF SUMMARY OF LEGISLATION TO INCREASE SALARIES AND PROVIDE OTHER BENEFITS FOR POSTAL EMPLOYEES, AND FOR POSTAL RATE INCREASES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, the leadership of the House has announced that legislation will be considered on tomorrow providing for increases in salaries and for other benefits for postal employees, and together with this legislation and included therewith, will be further legislation considered for certain increases in postal rates.

Because of time limitations allowed in considering these proposals on the floor of the House, I am making a brief statement with respect to these measures. Complete analysis of these proposals is included in reports of the bills, when reported to the House.

Legislation to be considered to provide for increases in pay, and for other benefits, for postal employees is contained in H. R. 9836, as amended by the committee, and reported without opposition by the Committee on Post Office and Civil Service.

Here is a summary of the amended bill. It provides:

First. A permanent 5 percent increase for all postmasters, officers, and employees in the postal field service with a minimum of $200 except in the case of fourth-class postmasters and hourly rate employees.

Second. A fourth longevity grade for personnel of the postal field service.

Third. A reclassification for all postmaster, officers, and employees in the postal field service by requiring that the Postmaster General submit to Congress by March 15, 1955, a proposal for job evaluation of the positions of postal field service personnel. This proposal must contain schedules which set forth grades and salaries of postal field service positions, and provisions assuring postal employees (a) of the right to appeal their classification to the Civil Service Comission; (b) that those on the rolls when the plan, or any part thereof, becomes operative will not suffer any loss in salary; and (c) that they will not be downgraded. This plan will take effect unless disapproved within 60 days by a majority of either House of Congress, a quorum being present.

Fourth. An increase in the allowable per diem for employees in the transportation service to $9 per day from the present rate of $6 per day.

Fifth. A uniform allowance of $100 annually for those employees required to wear uniforms.

Sixth. A modification of present law which restricts the number of permanent appointments in the Federal service. This will permit the granting of permanent appointments to a large number of temporary and indefinite employees in the postal field service.

Seventh. A biweekly pay period for personnel of the postal field service.

Total cost of bill, $151,533,000.

Legislation to be considered concerning increases in postal rates is included in the provisions of H. R. 6052, as reported by the House Post Office and Civil Service Committee. A complete analysis of the measure is contained in a report that has been on file for some time. A summary of postal-rate provisions is as follows:

FIRST-CLASS MAIL

The bill as reported increases from 3 cents to 4 cents the rate on the first ounce of first-class letter mail for delivery outside the office of mailing.

I think it well to observe that much has been said that first-class mail more than pays its way. This applies to what is known as drop-letter mail. It is mail delivered from the post office where it is mailed. This legislation does not change that rate of 3 cents per ounce. The 4-cent rate applies only to the first ounce on mail delivered away from the office of mailing.

AIRMAIL

The rate on domestic airmail is increased from 6 cents to 7 cents an ounce.

SECOND-CLASS MAIL

First. In addition to the 10-percent increase due April 1, 1954, under existing law, this bill will increase the rates on second-class mail in 3 increments of 10

percent, effective April 1, 1955, April 1, 1956, and April 1, 1957. These increases are based on the rates in effect prior to Public Law 233, 82d Congress, and are applied on the portion of publications for delivery outside the county of publication. The increases do not affect publications of nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations.

Second. The publication, or portions thereof, delivered outside the county of publication on which rates are increased as explained in paragraph 1 above, will be subject to a minimum charge of one-fourth cent per copy, compared to the present charge of one-eighth cent. The one-eighth cent minimum remains the same as at present for publications of the nonprofit associations or organizations listed above.

Third. The present transient second-class mail is eliminated and in the future these mailings will be carried at the third-class rate for those publications of 8 ounces or less and at fourth-class rate for those publications weighing over 8 ounces.

THIRD-CLASS MAIL

First. The rate for individual pieces of third-class mail is increased from 2 cents for the first 2 ounces, plus 1 cent for each additional ounce—or in some cases, 1½ cents for each 2 ounces—to 3 cents for the first 2 ounces plus 1½ cents for each additional ounce or fraction thereof.

Second. The rate on third-class matter mailed in bulk is increased from 14 cents per pound and 1½ cents minimum per piece to 16 cents per pound and 1½ cents minimum per piece.

Third. The fee for a permit to send third-class mail under the bulk mailing rate is increased from $10 a year to $50 a year, with the privilege of purchasing a 3-month permit at $15.

Fourth. Odd-sized pieces of third-class mail will be subject to a minimum charge of 5 cents, representing an increase of 2 cents per piece.

Fifth. The minimum charge on third-class matter mailed at bulk rates without individual addresses, for delivery under regulations prescribed by the Postmaster General, will be 2 cents per piece.

Sixth. No increases will be made in bulk rates on third-class mailings of books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions, and plants not exceeding 8 ounces in weight, or on mailings of nonprofit religious, educational, scientific, philanthropic, agricultural, veterans', or fraternal organizations or associations.

CONTROLLED CIRCULATION PUBLICATIONS

Controlled circulation publications will be subject to a rate of 11 cents per pound with a minimum charge of 1½ cents per piece.

BOOKS

The committee struck from the bill the provision which would have increased postage on books by $4 million, or approximately 25 percent.

INCREASED REVENUE

Following is the estimated total increase in postal rates when all the rates are in effect:

Estimate of revenues from each section of H. R. 6052 (as reported)

[Based on 1953 volume and assuming no loss in volume due to higher rates]

Section:	
1. First-class mail (first ounce of nonlocal)	$159,000,000
2. Domestic airmail	15,600,000
3. Second-class mail (publishers' second class)	13,500,000
Transient second-class at third- and fourth-class rates	900,000
4. Third-class mail:	
Increase in piece rates	29,000,000
Increase in pound rates 14 to 16 cents	3,200,000
Bulk fee $10 to $50 year or $15 quarter	8,000,000
Pieces of odd size or form	1,000,000
2-cent minimum on unaddressed third-class	3,000,000
Total	44,200,000
5. Controlled circulation publication (up to 8 ounces)	80,000
Total increase	233,280,000

THE DROUGHT SITUATION IN KANSAS

Mr. MILLER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MILLER of Kansas. Mr. Speaker, I wish to revise and extend my remarks and include a letter from Mr. Glenn Stockwell, of Randolph, Kans., showing what a group of intelligent and progressive farmers can do in the way of soil conservation and flood protection when they cooperate in measures for that purpose:

RANDOLPH, KANS., *July 14, 1954.*

Hon. HOWARD S. MILLER,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN: I would like to tell you of my experience on my farm and in my neighborhood with watershed management as a means of flood control. My farm is located on Crooked Creek in northern Riley County, Kans. This creek is typical of many in this section. The creek is bordered with rich farmland that is highly farmed. The uplands are rough and steep. Through improper farming and pasture management the watershed has deteriorated and floods on the creek were becoming more frequent and severe.

In 1937 we had a very severe flood that destroyed acres of crops, washed out miles of fencing and drowned livestock. It was evident that we would either have to abandon the farmland along the creek or find some method of controlling the runoff waters. My neighbors and myself consulted with technicians of the State college, and the Soil Conservation Service. We visited some of the demonstration projects on which watershed development was being tried out. We were soon convinced that our remedy was in a proper management and development of our watershed. It would have to be a community effort.

Since that time much of the land has been terraced and grassed waterways installed. Improved rotation practices have been adopted. Much of the poorer upland has been reseeded to grass and the native grass improved through good pasture management. At least 15 impoundment structures have been built. Some of this work has been done under ACP assistance but much of it has been done at the farmers' own expense in order to accelerate the work.

The results have been outstanding. We went through the 1951 and 1952 flood periods with practically no flooding although we were in the area of high rainfall. During the 60 days of rainfall of May, June, and July 1951, the water was almost continuously trickling from our terraces but at no time did it assume flood proportions. We can now farm our lowlands with confidence and erect fences that are necessary for our livestock business without fear of having them washed away.

We are now experiencing a severe drought and are finding that the greatest benefits from our work may come in drought periods. In spite of the dry weather we have just finished harvesting one of the best wheat crops of our experience. Our springs are still flowing and we have plenty of water in our pastures. Our farm has been in the family for 97 years and we are just now developing a system of watershed management that will make the farm a stable and permanent proposition. I believe that an accelerated soil conservation and watershed development program would be the greatest boon that this country could receive. The benefits would be manifold and so widespread as to benefit the entire economy of our Nation.

Sincerely yours,

GLENN D. STOCKWELL, Sr.

Mr. Speaker, at this point I include a communication from the Kansas Livestock Association:

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., July 13, 1954.

Representative HOWARD S. MILLER,
House Office Building,
Washington, D. C.

DEAR MR. MILLER: The following night letter was sent to Secretary of Agriculture Ezra T. Benson, July 13:

"Record heat 114° common yesterday. No rain past 2 weeks in most of Kansas. Crops and grass are burning. Stock-water situation becoming critical. Forced cattle marketing started. Some truckers report bookings 2 weeks ahead. Beef-purchase program, to be effective, should start at once. Price paid for beef should warrant stronger cattle prices. Contracts should be for delivery dates requiring immediate purchase by processors."

A. G. PICKETT, *Secretary.*

Mr. Speaker, that telegram was sent a week ago and the heat and drought continue. The conditions are worsening daily and stockmen are compelled to liquidate their cattle.

It is my understanding that the Secretary of Agriculture has authority to institute a cattle-buying program to meet this emergency. I am one Member of Congress who believes it time to begin.

MY RECORD ON REA

Mr. VURSELL. Mr. Speaker, I want to pay a compliment to the fine work the officials of REA cooperatives have done throughout the Nation in bringing light and power to millions of farmers in the last several years, which greatly increases the wealth of the Nation by making an outlet for the use and purchase

of electrical appliances, amounting to billions of dollars a year, which is an aid to business and to the economy of the Nation, lifting at the same time much hard work from the farm women of America.

FREE ENTERPRISE

As I have often said, I regard REA as one of the finest examples of free enterprise at the grassroots. The officials who direct the management of REA cooperatives have done a splendid job, nationwide.

The five REA cooperatives serving my congressional district have made every loan payment on time, and are ahead with their repayments now $1,763,954. This fine record shows they are paying off their loans faster than they come due.

When I came to Congress in 1942, only 49 percent of the farms in Illinois had electric light and power. Now, 12 years later, we have 95 percent served.

VOTED FOR $2,649,000,000

In these 12 years I have voted for REA loan funds a total of $2,649,000,000, which is $75 million more than was requested by Presidents Roosevelt, Truman, Eisenhower, and the Bureau of the Budget acting for those Presidents.

We appropriated	$2,649,000,000
Presidents requested	2,574,000,000

This shows we appropriated $75 million more for the REA loan fund than was requested by these three Presidents.

I thought the farmers should have these facts. I decided to give them to you because I have learned that a false campaign is being started by those who hope to gain political advantage by charging I had not adequately supported the REA. These loans are repaid with interest.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. H. CARL ANDERSEN. The gentleman from Illinois [Mr. VURSELL] has throughout his 12 years in this House always fought for what he has considered to be just and fair treatment for the farmer in every respect. I recall the many times in which he has appeared before my Subcommittee on Appropriations for Agriculture in behalf of such programs as REA. I have noticed that during these 12 years the gentleman from Illinois [Mr. VURSELL] has always voted as I have relative to REA loan allocations. I am positive in my own mind that during these years, he and I have voted for $155 million above and beyond what the budget has requested of the Congress. There is no better friend of REA and the farmer than the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. I sincerely appreciate the comments of the gentleman from Minnesota [Mr. ANDERSEN], the chairman of the Appropriations Subcommittee for Agriculture.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HORAN. I just want to say that in my opinion the gentleman from Illinois is as good a friend of REA as there is in the Congress, and has been all down through the years. He has fully supported REA loan funds for the 12 years he has served in the Congress.

Mr. VURSELL. Mr. Speaker, I want to thank both of these gentlemen, who are members of the Agriculture Subcommittee on Appropriations.

Mr. Speaker, the members of the Appropriations Committee of the House know that I have fully supported the loan funds for REA in every session of the Congress for the past 12 years.

The farmers generally know that I have not only supported the REA loan fund to extend light and power to the farmers of Illinois and the Nation, but that I have supported soil conservation and research and extension work; that I helped to write and pass the farm-to-market roads program—to pull the farmers out of the mud; that I have supported the Farmers' Home Administration loans to assist farmers to own their homes—and I note from a recent report that 50 farm loans have been granted to farmers in Marion County; that I have voted at all times and am still voting in this session to help the farmers on every front.

I have owned and operated farms most of my life. I helped to organize, as a charter member, nearly 40 years ago, the Farm Bureau in Marion County, and am still a member.

NAIL CHARGES DOWN

Mr. Speaker, I want to nail these false charges down by giving you the record of my support of REA loan funds, carefully compiled by a member of the staff of the House Subcommittee on Appropriations for Agriculture.

May I point out that, in order to save time on the House floor, on many occasions, no record vote is taken. When the Members are in agreement they often pass the bill by a voice vote rather than take the time to call the roll of 435 Members, which must be called twice on a rollcall vote.

Twelve years ago the first REA appropriation bill I was privileged to vote for came in the 1st session of the 78th Congress.

HERE IS THE RECORD

78th Cong., 1st sess., 1943

Budget request	$30,000,000
House committee approved	20,000,000
Senate approved	30,000,000

It then went to a conference committee of the House and Senate. When it came back to the House, Congressman RANKIN moved that the House approve the Senate figure increasing REA appropriations to $30 million. The record shows that I voted "yes" on the Rankin substitute—CONGRESSIONAL RECORD, volume 89, part 5, page 6361—which was defeated. This shows I voted to increase REA appropriations $10 million.

78th Cong., 2d sess., 1944

Budget request	$20,000,000
House committee approved	20,000,000
House approved	20,000,000

I supported the $20 million although there was no record vote. It went to the Senate, which increased the amount to $40 million. The conference committee representing the House and the Senate compromised at $25 million. No one opposed the conference report. I supported the $25 million, and this was the amount appropriated.

79th Cong., 1st sess., 1945

Budget request	$150,000,000
House committee approved	60,000,000
House approved	60,000,000
Senate approved	125,000,000

In the House on final passage of the $60 million, there was a record vote. I had been called to my office on an emergency matter, and returned to the floor as quickly as possible, but got there about 2 minutes too late to be recorded favorably on the House vote. Conferees, representing the House and Senate, compromised on $80 million, and I supported the conference report for $80 million.

79th Cong., 1st sess. (continued), 2d deficiency, 1945

Budget request	$160,000,000
House committee approved	50,000,000
House approved	120,000,000

I supported the $120 million on a division vote. There was no rollcall. The Senate approved $120 million. Final amount approved $120 million, and I voted for it.

79th Cong. 2d sess., 1946, urgent deficiency, 1946

House approved	$100,000,000

A motion was later made to recommit the bill, to eliminate funds for OPA, which was defeated on a record vote. I was not recorded on that vote, however, it had nothing to do with REA.

79th Cong., 2d sess., (continued)

Budget request	$250,000,000
House approved	250,000,000
Senate approved	250,000,000
Final amount approved	250,000,000

I voted for $250 million, as all other Members present did. In order to save time no record vote was taken.

80th Cong., 1st sess., 1947

Budget request	$250,000,000
House committee approved	225,000,000
House approved	225,000,000

Mr. CANNON of Missouri offered motion to recommit, CONGRESSIONAL RECORD, volume 93, part 5, page 6030, to provide $300 million for the Agriculture Adjustment Administration, $75 million for school lunches, and to increase REA $25 million. I voted against it because of the enormous sum added for AAA in the House.

On final passage of conference report I voted "yes" on the rollcall vote for $225 million—CONGRESSIONAL RECORD, volume 93, part 5, page 6031; 315 of the Members voted "yes" and only 38 voted "no."

80th Cong., 2d sess., 1948

First deficiency 1948 budget request	$175,000,000
Committee approved	75,000,000
House approved	175,000,000

In other words, we in the House increased the committee request by $100 million. Mr. CANNON of Missouri offered motion to recommit, and increase REA by $100 million. I voted "yes" on record vote, CONGRESSIONAL RECORD, volume 94, part 3, page 3995, and also voted "yes" on record vote for final passage on April 1, 1948. Senate also approved the amount.

Budget request (regular)	$300,000,000
Committee approved	400,000,000
House approved	400,000,000
Senate approved	400,000,000

This was under the 80th Republican Congress, which voted more funds in the 2 years it was in power for REA than has ever been voted in 2 years since REA was adopted. There was no record vote and practically no opposition. I voted for these large sums, as the other Members did.

81st Cong., 1st sess., 1949

Budget request	$350,000,000
Committee aprpoved	350,000,000
House approved	350,000,000
Senate approved	350,000,000

I supported this amount by a voice vote. There was no record vote.

Now, since there are always some people who are more interested in politics than they are in the farmers, I want to quote what I said with reference to the REA bill when we were considering it on April 5, 1949, 5 years ago. You will find my remarks in the CONGRESSIONAL RECORD, volume 95, part 3, page 3921. My comments then reflect the support I have always given REA loan funds throughout my service in Congress. This is what I said:

Mr. Chairman, I had occasion to appear before the subcommittee handling this bill. They have brought out a very good bill. It appeals to me in almost every section.

Particularly do I appreciate and favor that provision with reference to REA, which not only provides for an appropriation of $350 million, but has a proviso that the administrator of REA, Mr. Wickard, if he finds he is running short of funds may go to the Secretary of Agriculture and borrow in amounts of $50 million, if he can so justify, until an additional $150 million has been exhausted.

I am glad this provision is worded so that the administrator does not have to come back to Congress, if more funds are needed for the year 1949. The Congress by this provision has given REA full opportunity for the extension of its services, so much needed by the people of the Nation.

SOIL CONSERVATION

I am also interested in the provision with reference to soil conservation. The greatest contribution we can make to the posterity of this country, as well as for the immediate future is that we try to leave the soil in a better condition than we found it, more fertile, and more productive, for those who follow after us. If we have done that, then we have really rendered a service to the country, not only for the present and the near future, but for the years to come.

The RECORD further reads as follows:

Mr. RANKIN. Mr. Chairman, will the gentleman [Congressman VURSELL] yield?

Mr. VURSELL. I yield.

Mr. RANKIN. This bill appropriates $350 million for rural electrification, and makes $150 million additional available if necessary. That is right, is it not?

Mr. VURSELL. Yes.

Mr. RANKIN. That would mean $500 million would be available.

Mr. VURSELL. That is correct.

The above reflects the position I have always taken on REA loans and soil conservation.

81st Cong., 2d sess., 1950

Budget request (including rural telephones)	$450,000,000
House committee approved	375,000,000
House approved	375,000,000
Senate approved	390,000,000

Conference of the House and Senate committees approved a compromise of $382,500,000. Final amount approved, $382,500,000. I, with practically all other Members, voted for this large sum.

82d Cong., 1st sess., 1951

Budget request	$109,000,000
Committee approved	109,000,000
House approved	109,000,000
Senate approved	109,000,000

No amendment or record vote. No conference necessary. Final amount approved, $109 million. I, with practically all Members, supported the amount by a voice vote.

82d Cong., 2d sess., 1952

Budget request	$75,000,000
Committee approved	75,000,000
House approved	75,000,000
Senate approved	75,000,000

No conference necessary. Practically all of the House Members voted for the $75 million. No record vote was necessary.

83d Cong., 1st sess., 1953

Budget request	$200,000,000
Committee approved	185,000,000
House approved	185,000,000
Senate approved	202,500,000
Conference committee approved	202,500,000

The CONGRESSIONAL RECORD, volume 99, part 4, page 5277, dated May 20, 1953, will show that I voted "yes" on final passage.

83d Cong., 1st sess., 1954

Budget request	$55,000,000
Committee approved	100,000,000
House approved	100,000,000

I urged the subcommittee to increase the amount to $100 million, and we approved it on a voice vote. There was no record vote. The Senate raised the amount to $135 million. Inasmuch as I could not be present when the conference report came back to the House, I made the following statement, which I quote from the CONGRESSIONAL RECORD of June 22, 1954, page 8658:

Mr. Speaker, since it will be impossible for me to be present tomorrow when the conference committee reports on the agriculture appropriation bill, I should like for the RECORD to show that I favor the report, and if it were possible for me to be present, I would vote for the additional Senate $35-million loan authorization carried in the report for REA.

When the above bill was before the House, the CONGRESSIONAL RECORD of April 12, 1954, page 5036, carried my remarks, as follows:

REA FUNDS

Mr. Chairman, I am pleased to note that our committee has provided additional loan funds for rural electrification in the amount of $100 million in this bill. I would like to point out that the Appropriations Committee has increased the budget request of $55 million by $45 million, which will bring the loan fund for the coming year up to $100 million.

FOR REA TELEPHONE SERVICE

I would also like to say that I voted for the original Telephone Act and to point out that we have provided the full budget request of $75 million loan fund to be used in the extension of the REA telephone service, which is an increase of $7,500,000 over the appropriations made for telephone service over the recent year.

COMMITTEE REPORT

The committee has had reported to it many instances where private power sources are placing more and more restrictions on the activities of REA cooperatives as condition to negotiating contracts to supply the necessary power. Many times contracts offered by the private power companies are on a year-to-year basis. In the opinion of the committee, REA cooperatives are entitled to a firm source of power at reasonable rates and on a dependable basis, with the full right to operate on a basis which will render maximum service to eligible consumers. The committee feels that the Administrator's authority to provide loans for power generation should be fully utilized, if necessary, in order to assure adequate power to REA cooperatives on a reasonable basis.

The committee report we wrote is important, and shows the Congress is determined to protect the REA as it grows in the future to the extent that they may build their own power-generation plants, when necessary, to assure them adequate power, at reasonable competitive rates. When they are not able to secure adequate power in an area without unreasonable rates, I want them to have this protection.

I further stated "that Congress is determined to protect the REA as it grows in the future to the extent that they may build their own power generating plants, when necessary, to assure them adequate power, at reasonable competitive rates."

Now, the above shows that I, with a majority of the Members of Congress, appropriated for the REA loan fund to bring light and power to the farmers of America a total of $2,649,000,000, which is $75 million more than was requested by the three Presidents under whom I have served during the past 12 years.

INTERIOR DEPARTMENT—RECLAMATION, ETC.

The following will show that I voted with a majority of the Members of Congress to reduce some amounts for administration expenses and construction work, because the hearings held before the Appropriations Committee of 50 members showed these funds were not necessary, and would be a waste of the taxpayers' money.

ROLL CALL NO. 40, APRIL 25, 1947

A motion was made from the Democratic side to recommit the bill which would add funds to purchase 30 new automobiles for the Interior Department—mind you, not REA—and provide for $1,700,000 for administration of the Bonneville project, meaning they could employ more people who were not needed and spend more money.

The facts prove they had a carryover of $141 million in the Department that had not been spent. The Washington Post, the leading Democrat newspaper in Washington, published an editorial commending the action the committee had taken in reducing the Interior appropriation bill.

I voted against the waste of this amount of money because they already had too many automobiles and plenty of money for the administration of the project. I must have been right because 197, including Representative NIXON, now Vice President, and Representative William G. Stratton, now Governor of

Illinois, voted with me, while only 140 voted for the motion to recommit.

ROLL CALL NO 39, MAY 2, 1951

Mr. GARY, chairman of the Appropriations Subcommittee, and a Democrat from Virginia, offered an amendment to strike out $3,400,000 for the Southeastern Power Administration. I quote from the CONGRESSIONAL RECORD, volume 97, part 3, page 4282, what Mr. GARY said:

The purpose of this amendment is to prevent the useless expenditure of $3,400,000 to the Southeastern Power Administration for the construction of transmission lines to duplicate existing lines now in operation.

Mr. GARY has the respect of every Member of the House. His amendment carried on the roll call by 248 yeas to 149 nays. I was glad to vote with Mr. GARY to prevent this waste.

ROLL CALL NO. 40, MAY 2, 1951

Congressman HARRIS, an able and respected Democrat of Arkansas, offered the amendment to reduce SWPA by $550,000. In support of his amendment, I quote from the CONGRESSIONAL RECORD, volume 97, part 3, page 4295, his words, as follows:

Mr. Chairman, this amendment is an effort to reduce in some small way the burden—the load of the taxpayer. It does not handicap or adversely affect the program or service of the Southwestern Power Administration. * * * If there ever was a time when Federal expenditures unrelated to our national defense should be reduced to the bone, it is now.

I was glad to help save this $550,000. The amendment carried by 222 yeas to 173 nays.

ROLL CALL NO. 41, MAY 2, 1951

Simply a vote for language to be inserted that no funds of the appropriation could be expended for the construction of facilities designated as comprising the western Missouri project. Yeas 247, nays 152.

ROLL CALL NO. 42, MAY 2, 1951

This motion was made to reduce the amount appropriated for Bonneville project by $5½ million. However, that left $62 million for that project, more than they could or did spend for the coming year. Motion carried 225 to 167. I voted to save $5½ million.

ROLLCALL NO. 44, MAY 2, 1951

This had to do with construction under the Bureau of Reclamation, Mr. TABER made a motion to reduce the amount from $207,190,000 to $197,000,000. That still left an enormous sum. I voted "yea" to slow down the spenders; 237 voted "yea" to only 160 "no." I voted against unnecessary waste.

ROLLCALL NO. 45, MAY 2, 1951

This was an attempt on the part of the spenders to duplicate transmission lines already rendering adequate service; 226 voted "yea," only 165 voted "nay." I voted with the 226.

ROLLCALL NO. 32, APRIL 28, 1953

This vote was on a motion to recommit the bill which had been considered for many weeks by the Appropriations Committee, and had been approved by that committee after long hearings. The motion would add to the bill about $6,856,000 to be spent on various construction projects in the Southwest, West, and Northwest parts of the United States.

The motion was voted down by a vote of 212 to 167. I voted to prevent spending $6,856,000, which was clearly unnecessary.

Mr. Speaker, in closing, on the rollcalls I have just listed I would like to point out that the Members of this House, by a big majority on every rollcall, voted as I did knowing it was our duty to prevent unnecessary waste of millions of dollars of the taxpayers' money. I am glad to have helped render that service.

RESOLUTION ON SPECIAL COMMITTEE TO INVESTIGATE TAX-EXEMPT FOUNDATIONS

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. JAVITS] is recognized for 20 minutes.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to reduce my special order to 4 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I am glad we have a good attendance here preparing for the Republican conference, because I have something very serious to say to the House and it is a very fortuitous circumstance.

We have heard a lot pro and con about rules of congressional procedure for investigating committees in both this House and the other body.

There seems to be no practical way in which once an investigating committee is organized and endowed with an appropriation the House can recapture its control over it. We have in this body, in my opinion, a special committee which needs to have the recapture of control at least reviewed as far as the House is concerned. It is the Special Committee on Tax-Exempt Foundations.

The power of the whole House of Representatives being vested in any investigating committee the House should now assert the right to review that power with respect to its exercise by the Special Committee to Investigate Tax-Exempt Foundations. I am introducing a resolution for that purpose today the text of which is as follows:

Resolved, That the Committee on Rules is hereby authorized and directed after inquiry to make recommendations to the House of Representatives respecting the activities of the Special Committee to Investigate Tax-Exempt Foundations created pursuant to House Resolution 217, 83d Congress, and the termination thereof, the report thereof to the House of Representatives, the disposition of the papers and documents of the said special committee and such other measures relating thereto as may be appropriate.

It is high time that the House of Representatives asserted itself in one of these investigations that has gotten off the track, as the best answer to the danger of any loss of prestige which may be suffered by either House of the Congress attributable to the excesses of congressional investigating committees. Having reported favorably House Resolution 217 to create the special Committee it should be a duty given to the Rules Committee to exercise legislative oversight over it, and my resolution so provides.

The case for action is clear. On July 2 after hearing 11 witnesses critical of the tax-exempt foundations and 1 witness favoring their activities, and before the foundations themselves were heard, the special committee abruptly ended further public hearings, saying statements could be submitted that could be made public. The predecessor Cox committee heard 40 though this present committee was said to be justified because its predecessor did not do a good enough job. Terminating public hearings when only one side has been heard is not the American way and the House should not tolerate it. It resulted in the New York Herald Tribune calling this particular inquiry a senseless investigation and the New York Times calling it another stupid inquiry. These are authoritative publications and such editorials are not conducive to the prestige the House seeks to, and should, sustain on a high level.

The whole investigation of foundations has been conducted upon the theory that the foundations have been engaged in some conspiracy to infiltrate socialism into American educational institutions and social life. As against this, we have the findings of the predecessor Cox committee unqualifiedly to the contrary. The Cox committee said in their report:

It seems paradoxical that in a previous congressional investigation in 1915 the fear most frequently expressed was that the foundations would prove the instruments of vested wealth, privilege, and reaction, while today the fear most frequently expressed is that they have become the enemy of the capitalistic system. In our opinion neither of these fears are justified.

* * * * *

Aside from the pressing needs of national security there are ever-widening and lengthening avenues of knowledge that require research and study of the type and kind best furnished or assisted by foundations. The foundation, once considered a boon to society, now seems to be a vital and essential factor in our progress.

* * * * *

The committee believes that on balance the record of the foundations is good. It believes that there was infiltration and that judgments were made which, in the light of hindsight, were mistakes, but it also believes that many of these mistakes were made without the knowledge of facts which, while later obtainable, could not have been readily ascertained at the time decisions were taken. It further believes that the foundations are aware of the ever-present danger and are exerting and will continue to exert diligence in averting further mistakes. While unwilling to say the foundations are blameless, the committee believes they were guilty principally of indulging the same gullibility which infected far too many of our loyal and patriotic citizens and that the mistakes they made are unlikely to be repeated. The committee does not want to imply that errors of judgment constitute malfeasance.

Nothing material has appeared before the present committee to alter the validity of these conclusions of its prede-

cessor committee. I hope very much that my colleagues will very seriously think about this question of what control we do have and whether it is not vitally important that we have some residual control over these investigations as there is a possibility that they may go off the track.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. BUSBEY. May I inform the gentleman that there are some of us in this body who do not take our evaluations of congressional committees from the New York Herald Tribune or from the New York Times. Some of us disagree violently with their position and I am one of them.

Mr. JAVITS. That is proper and the gentleman is entitled to his opinion. But the gentleman will notice that the first thing I spoke of was the cessation of any public hearings after one side was heard. I first gave the facts before I gave anybody's opinion.

Mr. JACKSON. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from California.

Mr. JACKSON. The House exercises its constant and continuing control over any investigating committee and at any time it is the consensus of the Members of the House that any committee has overstepped the bounds of decorum in the conduct of its operations it can cut off that appropriation.

Mr. JAVITS. I have suggested a means by the filing of this resolution by which the House can make its will felt. I think that some means to enable the Houses of the Congress to see to their own prestige is vitally needed here and in the other body.

TENTH ANNIVERSARY OF THE ASSASSINATION OF THE GERMAN ELITE

The SPEAKER. Under special order heretofore entered into, the gentleman from California [Mr. YOUNGER] is recognized for 30 minutes.

Mr. YOUNGER. Mr. Speaker, today, July 20, marks the 10th anniversary of the assassination of the German elite. In memory of that occasion I would like to read from an address delivered by Prof. Karl Brandt, associate director of the Food Research Institute, Stanford University, before the World Affairs Council of Northern California on July 8, when he said as follows:

We are assembled here today to pay our tribute of respect and admiration to those German men and women who put their lives at stake in resisting the tyranny and lawlessness of the Hitler regime, and who were assassinated for doing so. In honoring the memory of those gallant martyrs for the cause of freedom and human dignity, we have a phase of contemporary events to ponder which, for the vivid contrast between man's most vicious and diabolical capacities on one side and his noblest emotions and acts on the other, constitutes one of the greatest tragedies in the history of the west.

We are commemorating those past events in a distant country tonight because they give us an insight into the nature of the struggle of the free society in our day. In fact, this experience concerns all of us most intimately because what happened in Germany can happen anywhere in the world, at any time. Only a clear knowledge of what took place there, the will of those who believe in human dignity to make the sacrifice to preserve it, and eternal vigilance will spare other countries the same ordeal and the same tragic loss. While the scene and the special emphasis may change, the nature of the basic human problems as well as the potential human reaction to them will remain the same in any country. Only those afflicted with racialism would deny this, and endeavor to indict whole nations or other collective groups. For this reason we may remind ourselves that our present quarrel is not with the Russian people, but with a temporary regime which rejects the basic tenets of the philosophy of freedom.

What happened in Germany from 1933 until this day is full of meaning to us in America, the more so since we are intimately concerned with that country. The American people have twice defeated the German armed might in battle, and have twice done their best to rebuild Germany. Today our troops are protecting it and our Government still guides its course in domestic and foreign affairs. In 1933 Germany was 1 of the 3 leading and scientifically advanced industrial countries of the world; it had built a modern democracy and an orderly government by law. In that year it sank into totalitarianism, and almost perished.

Under the impact of a lost war, a disastrous runaway inflation, and the worldwide depression, the democratic German society of the Weimar Republic foundered, owing to the same sort of political deadlock which at this very moment brings France, even in the midst of prosperity, to the edge of revolution. To grasp the enormity of the events that culminated in the assassination of the German elite after July 20, 1944, we must trace the rise of the tyrant and his might-is-right regime of terror and plunder.

By 1933, one-third of the working population of Germany was unemployed and living on a meager handout from the tottering democratic state. The impractical constitution of the Weimar Republic contributed considerably to this impasse, just as her unworkable constitution is troubling France today. Not quite one-half of the German votes were cast for Hitler in 1933. He promised employment, economic recovery, and new security. This platform made a lot of sense to many despairing people. After having gone through the agony of a misconstrued and sabotaged political process in a multiparty democracy, the German citizen felt that discipline under a dictator would get him out of the mess. President Franklin Roosevelt and Hitler were inaugurated about the same time on similar economic and social platforms: to start up the idle wheels of industry, to create full employment, to lift prices for the farmer, and to put planning and social reforms into the economic system. The two men were worlds apart in every sense, but it took Roosevelt until 1937 or 1938 fully to size up even the contours of Hitler's wickedness. The German people did not admire Hitler's looks, his harsh, rasping voice, his Austrian dialect, or his cheap, demagogic manners. But most of them felt that the deadlock in politics and economics had to be broken somehow, even if at the temporary cost of some liberties.

Late in March 1933 I asked farmers throughout the country why they had voted for Hitler. Their answer was: "How could you go on with such ruinous prices for wheat and rye and all the other products?" All they wanted was recovery—and this they got; Hitler rapidly gained more support.

Germany had had a long and honorable record along the lines of constitutional monarchy, two-house parliament, labor unionism, free press, and guaranty of civil liberties ever since the abortive revolution of 1848 which sent waves of democratic Germans to this country. Germany had also emancipated the Jews earlier than any other country, and they had contributed their fair share to government by law, to science, and to the arts. It had too broad and educated and experienced an intelligentsia not to see the devil's horns and hoofs under the Führer's uniform, which he revealed almost immediately. When Reichspräsident von Hindenburg received Hitler in 1932 as a candidate for the position of Reichskanzler, and asked what his conditions were, Hitler said, "I need the right to destroy physically my political opponents." The old gentleman gasped, and, horror struck, inquired, "What did you say you wanted to do?" When Hitler stubbornly repeated his claim to the rank of overlord of gangsters, the field marshal snapped, "The audience is over."

Unfortunately for the Germans, the domestic political deadlock, the social distress, and the desolate international situation created such a crisis that a few months later Hitler acceded to power anyway. His and his henchmen's orders were plain: "Get tough, muss them up, spare nobody; crush any opposition physically—cow them all. This will change the situation and speed recovery." It actually did. But terror stalked the country from the day Hitler took over.

In December 1932 Ambassador Bullitt, special envoy of President-elect Roosevelt, visited with me in Berlin. Democracy and government by law were still in force under Chancellor Schleicher, and the worst of the depression had been passed 6 months before. When Philip LaFollette, Governor of Wisconsin, toured Berlin with me in the spring of 1933, the atmosphere of intimidation and arbitrary use of power and perversion of truth and justice were already all around us. Assured of immunity by Göring, the Storm Troops were waging a civil war against all whom they proscribed. In the sanctum of a private club an air force officer mimicked Hitler before a small group. Hitler heard of the episode and ordered the man shot. Göring pleaded clemency. The officer was slain just the same. Jews, Catholics, liberals, Social Democrats, Freemasons, and all conscientious dissenters of any philosophy or conviction were under persecution. The 6 million Communists promptly sided with the ruling brand of totalitarianism; only a handful of outstanding figures were jailed.

By April 1933 storm troopers had taken over an abandoned brewery at Sachsenhausen near my family farm north of Berlin. A white-painted sign over the gate read: "Concentration camp of the standard 202 of the SA." Soon two of my farm workers were taken to it for a week's education with rubber truncheons. Gradually the camp filled with inmates, and so did scores of others all over Germany.

In May 1933 I visited with my many Jewish friends during the first feeble boycott, and helped them plan how to get out from under it. On July 15, 1933, my late friend, Hubert Knickerbocker, and Edgar Ansel Mowrer—both courageous American journalists of renown—told me the shocking facts of the "bloody night of Koepenick," in which a score of Social Democrats were murdered by the SA. In Kiel, the police surrendered a prisoner to a lynch mob. The aged former president of the police, von Jagow, commented: "In 84 years this is the first time such a thing has happened in the Prussian police force. It takes decades to build a reliable law-enforcement body, but only a few days to despoil it."

Thus far the atrocities were a domestic concern, but on June 30, 1934, the Hitler gang demonstrated its nature before the

world. In throwing down the supposed revolt of Captain Röhm, an orgy of annihilation of opponents swept Germany. Ex-Chancellor Kurt von Schleicher, his wife, General von Bredow, State Secretary Klausener, Vice Chancellor von Papen's assistant, Edgar J. Jung, and scores of others were slain in gangland style by SS murder detachments. Ex-Chancellor Heinrich Brüning and my friend Minister Gottfried Treviranus, through the courageous aid of British friends, just escaped being shot. Open terror glowered from the eye sockets of the death's head on the caps of the SS. Soon the Germans no longer dared to utter aloud the name "Himmler" or "Heydrich" for fear the sound of the dreaded names might kill. Thousands of doctors, scholars, and other professional men left the country because they were persecuted or had been declared racially, religiously, or politically undesirable. From 1933 to 1937 Hitler gave Germany full employment and recovery, and rearmed it to the teeth, bent all the time on revenge for Versailles and on the conquest of Europe, if not more, consumed by a morbid lust for power and more power.

With the success of domestic recovery, and unlimited rearmament, Hitler was presented with diplomatic success on a platter, first by France and Great Britain, then by Russia. While the Western democracies delivered Czechoslovakia to Hitler, Stalin went one step further and, in cahoots with Hitler, divided Poland and Rumania and gobbled up the Baltic States. This at long last brought appeasement to an end. Molotov and von Ribbentrop ratified this carnivorous deal. The same Mr. Molotov, incidentally, who is still ready, upon occasion, to offer similar deals, though now the conditions are harder.

Hitler then went on the fatal warpath, and ultimately made the same error that Napoleon did—he invaded Soviet Russia, while the United States and Great Britain prepared for the onslaught which led to his doom.

In all the years from 1937 up to this day it has been claimed that all of this perversion of everything Germany had stood for in a long history was accomplished without the slightest civic revolt or even objection. It is no exaggeration to say that even though it has available the most elaborate means of information through radio comment, journals and magazines, and a vast array of news-gathering agencies, the American public still holds the view that all Germans became 100 percent Nazi the moment that Hitler became Chancellor. They have also been led to believe that it was inherently the will of all the people that this hideous system of denying all basic civil rights reflected their innate desire. The popular argument goes that the Nazi system was constructed by the most prominent philosophers and statesmen of Germany, with names like Kant, Fichte, Hegel, Nietzsche, and Bismarck studding the list. Supposedly all their philosophy, their political creed, together with their alleged opportunism, their docility, their servility, and their congenital militarism ended logically in licking with gusto the boots of the tyrant. This theme has been stated in endless variation by the army of ex-post philosophers and the always popular discoverers of the politically obvious truths of yesterday. Only for the German Jews is an exception made, although they, too, by cultural background and centuries of belonging to the German community were in every sense of the word Germans, and for the most part exemplary citizens. On them one bestows by a contemptuous act of grace absolution from German sin by racial exemption. Fortunately enough, the values of human dignity, freedom, and truth—and faithfulness to them do not have any relation to race or color. The lack of knowledge in the American public about the facts of the internal struggle against Hitler does not hurt the Germans, but it hurts us in our foreign policy and our understanding of history.

The truth is, indeed, radically different and much more complex. For many years, particularly so long as the emphasis was upon recovery, and again when it looked like success in war after the unexpected debacle of France, most of the German people went along with a national policy conducted by a totalitarian chancellor with antidemocratic means. There was a time in our own country when Anne Morrow Lindbergh's The Wave of the Future, which took it for granted that it did not make sense to swim against the current, was a best seller.

From the very outset there was a strong opposition to and a real resistance among the Germans against police-state rule in Hitler's regime. As I said before, it was in April 1933 that the Sachsenhausen brewery had been converted into a concentration camp. This evil punitive "educational" institution sprang up in many places all over Germany. The camps were soon overcrowded. Why? Because from the first days there was a determined resistance to the totalitarian state by individuals who could not stomach the arbitrariness and tyranny of the police state.

To resist the all-powerful, ruthless totalitarian police state of the 20th century and its psychiatric shrewdness in breaking man's personality and his will to resist is immeasurably more difficult than the ordinary citizen who has known nothing but government by law can possibly imagine, even now—despite the fact that we know what happened to Cardinal Mindszenty, Robert Vogeler, General Dean, and scores of other sturdy men. If you decided you could not go along with every whim of the Nazi regime, you had, even in the first days of the 12 years of Nazi rule, only two choices: Either you could emigrate or you could stay and resist, passively or actively. I chose the easiest way, emigration, because I was not sure I could stand up under the ordeal of solitary confinement, and I had many good friends in this country, and thus an easy opportunity to go. If the decision was to stay, as most Germans had to, and you were not a moral contortionist, it meant that at any time you might literally have to put your life at stake, without any assurance that anyone would ever know why you disappeared or even how. I question the right of the smart critic and the glib talker to sit in self-righteous judgment on the unfortunate people who were caught in the totalitarian trap. These critics pat themselves on the back, sure they would be quite different from the German people—the perfect heroes, hard as nails, and unflinching defenders of the faith in the face of sure death. Every individual is not a born martyr, whether he is a German, a Russian, a Frenchman, an American, a Jew, or a Gentile. He has an innate urge to survive, even under most excruciating conditions. If he has relatives, dependents, and friends whom his resistance would jeopardize, his urge to survive is intensified manyfold.

The late Gestapo and its sister organizations, the GPU and MVD, or whatever letters this modern corps of assistants to the police state uses for camouflage, are a tough lot, scientifically equipped with the latest electronic devices and the techniques of psychoanalytic and psychosomatic torture. As in any area where totalitarianism takes over, Nazi Germany cast fear into the hearts of its people by the ridiculously simple yet most effective device of inviting anonymous information about others—not only inviting it, but making it a criminal offense not to inform on others—even children on their parents and husbands on their wives.

You may sense from the following sample what it all amounted to. One of my late friends, Secretary of Agriculture Dr. Hans Krüger, had this experience in 1935. The Gestapo notified him to appear before an inspector at headquarters 2 weeks after the date of the citation. When, slightly tattered by the waiting and the worry about the dreaded machine, Krüger appeared before the inspector, he was offered a cigar and requested to be at ease with, "Please relax and feel at home. You have recently been doing some unwise things. Oh, no? Would you like to read a little in your Gestapo file? Here it is—help yourself. No; take all the time you want to examine it; there's no hurry." My friend read and read and sweated blood as he read: here was an account of a private party he had given, attended by only three friends. Pieces of their conversation were on record—dangerous talk—revolt against the criminal regime, actual plans for sabotaging Nazi policies. The inspector signed letters and puffed on his cigar as my friend read. "Please don't feel rushed," he urged. Finally, he told Krüger: "Don't be afraid. We won't arrest you. Just be advised that we are watching you. You'd better go straight. I should deeply regret it if we had to hurt you, particularly since you have a wife and children. Watch your step. So long—have a good time."

All the men who revolted against the immorality of the whole hideous system knew that they were in a scientifically designed and efficiently operated trap. But a very large body of them went right ahead, and became accustomed to the always vigilant eyes and ears of the Gestapo and the presence of informers. It is beyond belief how this changes people who do not possess the strongest of nerves. I had a visit from my aged parents in 1937 in New Jersey. It took me about 10 days to persuade my father, at a lonely spot in the countryside, that it would be safe to have an open word with me about what was going on at home.

You may ask when did the resistance begin to amount to anything, and did it ever succeed in impeding the Nazi regime seriously? Did they perhaps begin to resist only when the jig was up and the American, British, and Soviet armies stood inside Germany? These are certainly legitimate questions, and they cannot be answered simply in a general statement. Yet today we have an almost complete record of what did happen, particularly owing to the fact that the captured documents now housed in Alexandria, Va., comprise most of the Gestapo records. Owing to the German habit of never throwing away a piece of paper with anything written on it, we also have the German police and jail records, and also a vast literature of memoirs. There are more than 340 books dealing with the German resistance against Hitler.

What actually happened reflected anything but a uniform attitude. Some of the most lucid minds had sense enough to realize before Hitler came to power that he was an insane force, possessed of a satanic combination of skills and gifts tied to a morbid personality. They also knew that he had a rare and mystical sort of appeal to the mass mind and a psychopathic clairvoyance. When at Teheran President Roosevelt made a remark about "this fool, Hitler," Stalin quickly countered, "You cannot call this man a fool; anyone who has achieved that much in history is certainly no fool."

The men who had to deal with him first as genuine and legitimate opponents were the core of generals of the army whom Hitler had inherited from the small Reichswehr of the Weimar Republic. They were truly conservative men of advanced years, with combat experience in World War I, who were brought up in the Prussian puritanical spirit. Particularly after the disastrous loss of World War I, they were skeptical observers of political democracy in troubled times, and unquestionably great patriots. Generals

von Hammerstein-Equord, Beck, von Fritsch, von Witzleben, Oster, Carl Heinrich von Stülpnagel, von Brauchitsch, and the chief of the counter intelligence Admiral Canaris, to name only a few—all men of extraordinary stature—had made up their minds about who the sergeant of World War I really was. They saw in him the greatest menace to their country, and in fact to the future of government by law in Europe. They were conscientious men of order. Hitler was to them a mountebank and an illbred brigand. But they did not consider it their task to take over the political leadership. Neither in the United States, Germany, nor England has it been the normal course for the generals and admirals to take over political responsibility from duly appointed civilian cabinet officers who have legitimate authority. Hitler, in turn, knew who his deadliest enemies were, and did not shrink from using the vilest and most vicous methods of intrigue, bribery, and character assassination to get rid of some of them and split the ranks. As the Nuremberg trials have proved, the German general staff was opposed to military adventures. It knew too well the limitations of German military and economic resources. Moreover, it had sense enough to realize that one could probably win battles, but never a war in which the United States and Great Britain would inevitably become involved. They distrusted Hitler on every ground—character, philosophy, maturity of judgment, and even more, political and military intuition. The assassination, underworld style, which Hitler administered to Generals von Schleicher and von Bredow, to Messrs. Klausener and Jung and scores of others was—if anything of that sort was needed—an eyeopener to the general officers. These men knew far more than the public about the cold-blooded gang of killers that had seized the German power of government. The proper question of course is, if they did know so much, why did they not act and remove Hitler? This is one of the most involved problems of the whole exasperating struggle between the resistence and the Hitler regime.

To begin with, these men actually did move all the time to achieve Hitler's elimination from power. But he surrounded himself with his own pretorian guards, the SS and the SD, and packed the Wehrmacht with young officers of his own choosing. Yet the military-resistance leaders joined with civilian protesters, at first particularly those of the conservative wing. Among these men who were willing to resist actively were the former mayor of Leipzig, Dr. Karl Goerdeler, State Secretary Ernst von Weizsäcker, and former Reichsbank president, Hjalmar Schacht. They planned for September 1938 a coup d'etat with troops prepared for the attack on Czechoslovakia. Exactly at that moment British Prime Minister Chamberlain, who had been advised of the conspiracy, told Hitler that he wanted to compromise on Czechoslovakia. On September 29 Hitler's victory at Munich was complete. It supposedly saved the peace but it deprived the generals of that opportunity to execute their coup.

One of the most fateful errors of the generals of the resistance was their failure to prevent the invasion of Poland; at that time they could still have changed the whole course of history. What they did later was to try to stop the extension of the war to the west. They organized a refusal by the top command to order the attack, but two in their ranks refused to commit mutiny. Hitler again had it his way. By that time, however, the political activities of civilian members of the whole conspiracy became stepped up. They negotiated via Norway through intermediaries in London and at the same time sent an emissary, Dr. Adam von Trott zu Solz by air via Gibraltar to Washington, D. C., where he negotiated on behalf of the German resistance with leading political figures, among them Felix Morley, Justice Felix Frankfurter, and a number of diplomats. President Roosevelt, in close contact with London, turned down flat any attempt at negotiating with the German resistance. The same attitude prevailed in London. The leading idea already was: Unconditional surrender and nothing less. On his way back to Germany via Japan and Russia, Dr. von Trott stopped for a day at my home in Palo Alto. I bitterly criticized the leaders of the resistance for their fateful delays and hesitations, and ultimately said to my daring and well-shadowed guest that their failure to stop the attack on Poland would ultimately lead to the total destruction of Germany by the United States and his assassination and that of all his fellow conspirators by Hitler. Von Trott was one of the first to be murdered by Hitler's gang after July 20.

As the war went on, the activities in resistance circles began to coagulate, but this could never grow into a mass movement. All the work had to be underground by small groups of loyal friends. Men from all spheres of life took part. Many ran afoul of Gestapo agents posing as resisters. There were prominent and outstanding figures of labor, among them Dr. Julius Leber, Carlo Mierendorff, Theodor Haubach, and Wilhelm Leuschner in the civilian underground. (Kurt Schumacher had long since disappeared in a concentration camp.) Most powerful resistance centers were the Catholic and Protestant churches. Cardinals Faulhaber of Munich, Count von Galen of Münster, and Count von Preysing of Berlin fearlessly fought a running battle against the heathen creed, its racialism and inhuman traits, the killing of the insane, and the perversion of charity. They protected Jewish refugees and succeeded in saving a considerable number of them. Members of the confessional synod fought a pitched battle under the leadership of Pastors Niemoeller, Bonhoeffer, Lilje, Dibelius, Gerstenmaier, and a large number of outstanding laymen. The handful of Seventh Day Adventists were indomitable opponents, and marched into the concentration camps. Other small sects also had resistance cells. Diplomats Otto Kiep, Von Hassel, Von Trott, Von Weizsnaecker, Count Bernstorff, and Count von der Schulenburg were joined by agricultural leaders in all parts of Germany, by industrialists, mayors, administrators, and professors—particularly of the social sciences.

One of the most powerful spiritual centers of the resistance was the so-called Kreisau-circle under the leadership of Count Helmut James von Moltke. This circle did not work for the violent overthrow of the Hitler regime, but prepared spiritually and intellectually for the days to come after his downfall. This went so far that preparations were made for the structure of a new government and democratic representation of the people; a new constitution was written for a truly free society and government by law; and a roster of future political leaders and cabinet members was kept. The circle and their friends also prepared for bringing the Nazi leaders to trial in court for their crimes.

The philosophy of this circle offers the key to the thought of the Bonn government today. These men refused to interfere with the disaster which they saw coming, because they believed it vital for the restoration of a decent society that this time the wicked course of a ruthless power policy come to its logical end. They wanted no new legend about a betrayal of victory—certainly a momentous decision in view of the enormous disaster it involved. But these people felt that the scope of the catastrophe was no greater than was the disgrace and depravity which the Anti-Christ and his cohorts had brought upon the Germans in the West.

Aside from this circle, however, were increasing numbers of men, particularly among high-ranking officers of the Army, who believed that to prevent the total destruction of the country it was necessary to eliminate Hitler and his lieutenants. This conviction was deepened by the clear realization that Hitler, in his craze, was forcing these professional soldiers to commit more and more crimes against the rules of warfare and valid German and international law. Leaders of this group, aside from General Beck, were military leaders in the headquarters of Army group central inside Russia, men in the command in Paris, and in the Wehrmacht command in Berlin.

On March 13, 1943, Colonel von Schlabrendorff placed a time bomb in Hitler's plane. Despite several months of careful preparation, and hundreds of trials with the type of bomb selected for use, the mechanism failed in practice. General von Gersdorff carried in his overcoat pockets two time bombs in order to blast Hitler and himself to bits, but Hitler left the meeting a few minutes before the bombs were due to explode. In the winter of 1943–44 some officers met with Hitler to display new uniforms, and brought along dynamite with which to kill him. An air raid interrupted the whole demonstration. In December 1943 Count Stauffenberg manipulated a bomb through the guards of Hitler's headquarters on an occasion when Hitler was expected for a conference, but Hitler canceled his appointment. All told, 10 separate attempts to kill Hitler were made before the portentous final one.

Finally, on July 20, 1944, Count Stauffenberg placed a bomb in a satchel beside Hitler's desk in his East Prussian field headquarters, "Wolfschanze," and the wooden shack blew up, wounding Hitler, but not killing him. The whole plot succeeded in Paris, and to some extent also in Berlin, where troop units went into action, but it succumbed to successful counteraction from Hitler's headquarters, and Hitler immediately began to liquidate the opponents who had revealed themselves.

From July 20 black terror raged throughout Germany and in all the German-occupied areas, just as the red terror gripped Soviet Russia after the attempt on Lenin's life. It reigned savagely for almost 10 fateful months, spurred by Hitler, the cornered power maniac, who now, in his doom, did what he had told Hindenburg he wanted to do. The Gestapo rounded up all known conspirators and by torturing the captives, brought many others to light. Until the very end, with foreign armies in Berlin, the assassinations went on. All of the men were tortured, and after drumhead trials by the notorious people's court, were condemned to die. In a large number of cases concerning his most illustrious enemies, Hitler insisted on having the victims tortured to death gradually rather than summarily executed. Our Army captured the motion pictures he ordered taken of these nauseating scenes and at which he gazed during the final days in his bunker in Berlin.

This macabre business actually blotted out the main body of what one correctly can call the finest flower of the German nation that had resisted the tyrant and belonged to the leadership of Christendom. During the years 1933 to 1944 approximately 32,500 Germans were executed by so-called court procedure, not counting the vast number of victims who perished in concentration camps. Up to 1939 more than 1 million Germans had been sent to concentration camps; 300,000 of them were camp inmates in that year. The war cost the Germans, a nation of 67 million, 3½ million soldiers and 500,000 civilians, but the assassination of the elite was definitely the greatest loss of all.

The groups that composed the resistance and their members who were assassinated are too numerous to mention here. But they included also many brave German women and young people. The student circle, the White Rose, shook all of Munich into open revolt. Its leading members were executed. The Edelweiss circle in Hamburg was just as active and equally gallant.

In conclusion, we may say that there was considerable and morally very strong resistance against Hitler composed of extremely courageous men and women. These martyrs failed in their attempt to change the course of events by overthrowing the regime. But stating this means to misinterpret and ignore their real, tragic, yet glorious role in history. Their situation was tragic; no matter how they acted, they could not avoid violating their own code of values. They had to tackle a satanic personality who was one of the evil geniuses of history, holding in his hands more power than any other individual—a ruthless killer. On their freely chosen road to martyrdom, with the supreme sacrifice always before their eyes, they rose to a rare level of humaneness, and quite a number of them died as saints. The letters they wrote in their dungeon cells are part of the finest treasure of western civilization. What these people really achieved was the greatest victory man can ever win. July 20, 1944, was Germany's darkest day in history—and at the same time its brightest.

What an apocalyptic scene it was on that day, 10 years ago, in one of the enlightened and leading countries of the west: Total agony and disaster everywhere. Cities founded in Julius Caesar's time in smoking ruins. Mass suicide and murder at every hand. As in Biblical days God shook creation and a wicked man and his regime, meant to last for a thousand years, fell, while he was busy murdering his nation's elite. But in the darkness of the dungeon cell the light of goodness to man was shining, and human dignity and respect for the truth stood reaffirmed. The rebirth of the doomed nation began right there. And the martyrs knew that this was what they were dying for. The last words of one of them, Count Michael Matuschka, were, "What grace of God to be hanged for the honor of one's country on the day the cross is being raised."

The illustrious group of men and women who died for the cause of freedom are missed today in a thousand places. This is one of the great weaknesses in Germany and in Europe. But by the grace of God a small proportion of the martyred elite survived. The rain of bombs and fire that raged through Germany during the final phase of the war created such disorder that the systematic murder system of Hitler's henchmen was in some cases thrown out of gear. Soviet forces and American and British troops freed some of the victims awaiting execution. Today they are the ones who set the tune of politics and law and public morale in the Republic of Germany.

It is our good fortune that they do. But it also lays upon the statesmen of the other western nations the great responsibility of making up for the tragic failure to cooperate with those who became the victims of Hitler's revenge, and with members of the resistance who survived. These people especially merit the assistance of the western world in their efforts to build a better Europe. All who are gathered here to honor the memory of those martyrs have the duty and the privilege of spreading the truth about their struggle and to learn more about it ourselves.

My thoughts go in profound respect and sympathy to the many friends I lost on July 20 and to the widows of all the slain men who shared their struggle and ordeal and guard their spiritual estate.

One of the doomed conspirators against Hitler, Pastor Dietrich Bonhoeffer, observed in *Stations on the Road to Freedom*, which he wrote in prison:

"Not in following will, but in doing and daring of justice,
Not in possible deeds, but in real ones bravely attempted,
Not in the flight of thought, but only in action, is freedom.
Up and out of your hesitant fear into storms of occurrence,
Only supported by God's command and the faith that is in you!
Freedom then shall receive your spirit with jubilant welcome."

SELECTED BIBLIOGRAPHY

1. Dietrich Bonhoeffer, Widerstand und Ergebung (Munich, 1951).

2. Allen W. Dulles, Germany's Underground (New York, 1947).

3. Hans Bernd Gisevius, Bis Zum Bittern Ende (2 volumes, Zürich, 1946).

4. Helmuth J. Graf von Moltke, Letzte Briefe aus dem Gefängnis Tegel (4th edition, Berlin, 1953).

5. 20 Juli 1944. Das Parlament. Special edition. Bonn, 1952.

6. Hans Rothfels, The German Opposition to Hitler (Chicago, 1948).

7. Fabian von Schlabrendorff und Gero von Schultze Gaevernitz, Offiziere Gegen Hitler (Zürich, 1946).

8. Inge Scholl, Die Weisse Rose (Frankfurt, 1952).

9. Hans Speidel, Invasion, 1944 (Chicago, 1950).

10. Karl Strölin, Verräter oder Patrioten; Der 20 Juli und das Recht auf Widerstand (Stuttgart, 1952).

11. Gunther Weissenborn, Der lautlose Aufstand (Hamburg, 1953).

12. Eberhard Zeller, Geist der Freiheit: Der 20 Juli 1944 (Munich, 1953).

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous material.

Mr. HESS.

Mr. MCDONOUGH and to include an article.

Mr. WOLVERTON and to include extraneous material.

Mr. O'NEILL in two instances and to include extraneous material.

Mr. ROONEY, the remarks he made in Committee of the Whole and to include extraneous matter.

Mr. MILLER of Kansas and to include extraneous material.

Mr. WIGGLESWORTH to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GRANT (at the request of Mr. RAINS), for an indefinite time, on account of death of his mother.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 130. An act to amend section 1 of the act approved June 27, 1947 (61 Stat. 189);

H. R. 5185. An act for the relief of Klyce Motors, Inc.;

H. R. 6786. An act authorizing the Secretary of the Interior to purchase improvements or pay damages for removal of improvements located on public lands of the United States in the Palisades project area, Palisades reclamation project, Idaho;

H. R. 7466. An act to authorize the Secretary of the Interior to execute an amendatory repayment contract with the Pine River Irrigation District, Colorado, and for other purposes;

H. R. 8026. An act to provide for transfer of title to movable property to irrigation or water users' organizations under the Federal reclamation laws;

H. R. 8983. An act to provide for the conveyance of certain lands by the United States to the city of Muskogee, Okla.;

H. R. 9005. An act to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177).

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1381. An act to amend the Agricultural Act of 1949;

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema;

S. 2766. An act to amend section 7 (d) of the Internal Security Act of 1950, as amended;

S. 2786. An act granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact;

S. 3561. An act authorizing the Administrator of Veterans' Affairs to convey certain property to the armory board, State of Utah;

S. 3630. An act to permit the city of Philadelphia to further develop the Hog Island tract as an air, rail, and marine terminal by directing the Secretary of Commerce to release the city of Philadelphia from the fulfillment of certain conditions contained in the existing deed which restricts further development; and

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on Governmental Use of International Telecommunications.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 19, 1954, present to the President, for his approval, bills of the House of the following titles:

H. R. 2617. An act for the relief of Guillermo Morales Chacon;

H. R. 2846. An act authorizing the President to exercise certain powers conferred upon him by the Hawaiian Organic Act in respect of certain property ceded to the United States by the Republic of Hawaii, notwithstanding the acts of August 5, 1939, and June 16, 1949, or other acts of Congress;

H. R. 4928. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the city of Clifton, N. J.;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands

in Alaska to the Rotary Club of Ketchikan, Alaska;

H. R. 6882. An act to amend the act of September 27, 1950, relating to construction of the Vermejo reclamation project;

H. R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 8549. An act granting the consent of Congress to The Breaks Interstate Park Compact;

H. R. 8713. An act to amend section 1 (d) of the Helium Act (50 U. S. C., sec. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 701);

H. R. 9242. An act to authorize certain construction at military and naval installations and for the Alaska Communications System, and for other purposes;

H. R. 9006. An act to authorize the Secretary of the Army to donate 28 paintings to the Australian War Memorial.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 21, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1755. A letter from the Assistant Secretary of State, transmitting a translation of note No. 3083, dated July 2, 1954, from His Excellency the Ambassador of Mexico, Senor Don Manuel Tello, expressing deep appreciation of the Government and people of Mexico for the assistance given during the recent floods along the Rio Grande; to the Committee on Foreign Affairs.

1756. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1757. A letter from the Administrative Assistant Secretary, Department of Agriculture, transmitting a report of claims paid for the period July 1, 1953, to June 30, 1954, pursuant to the Federal Tort Claims Act as reenacted (28 U. S. C. 2671–2680); to the Committee on the Judiciary.

1758. A letter from the Secretary of Commerce, transmitting copies of proposed legislation entitled "A bill to authorize the President to place Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey, on the retired list, in the grade of rear admiral (lower half) in the Coast and Geodetic Survey, at the time of his retirement, with entitlement to all benefits pertaining to any officer retired in such grade; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOPE: Committee of conference. H. R. 6788. A bill to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes (Rept. No. 2297). Ordered to be printed.

Mr. TOLLEFSON: Committee of conference. House Joint Resolution 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels and for other purposes (Rept. No. 2298). Ordered to be printed.

Mr. FORRESTER: Committee on the Judiciary. H. R. 6427. A bill for the relief of the State of North Carolina; with amendment (Rept. No. 2299). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9740. A bill to provide for the relief of certain Army and Air Force nurses, and for other purposes; without amendment (Rept. No. 2300). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2027. An act authorizing the Secretary of the Interior to issue quitclaim deeds to the States for certain lands; without amendment (Rept. No. 2315). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3302. An act granting to the Las Vegas Valley water district, a public corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada; with amendment (Rept. No. 2316). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3699. An act granting the consent of Congress to a compact entered into by the States of Louisiana and Texas and relating to the waters of the Sabine River; without amendment (Rept. No. 2317). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of Missouri: Committee on Post Office and Civil Service. H. R. 7785. A bill to amend the Civil Service Retirement Act of May 29, 1930, to make permanent the increases in regular annuities provided by the act of July 16, 1952, and to extend such increases to additional annuities purchased by voluntary contributions; with amendment (Rept. No. 2318). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8365. A bill to confirm the authority of the Secretary of the Interior to issue patents in fee to allotments of lands of the Mission Indians in the State of California prior to the expiration of the trust period specified in the act of January 12, 1891, as amended; without amendment (Rept. No. 2319). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8821. A bill to authorize the exchange of lands acquired by the United States for the Catoctin recreational demonstration area, Frederick County, Md., for the purpose of consolidating Federal holdings therein; without amendment (Rept. No. 2320). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9679. A bill granting the consent of Congress to a compact entered into by the States of Louisiana and Texas and relating to the waters of the Sabine River; without amendment (Rept. No. 2321). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9821. A bill to amend titles 18 and 28 of the United States Code; with amendment (Rept. No. 2322). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9751. A bill to authorize the Secretary of the Interior to sell and convey certain Parker-Davis transmission facilities and related property in the States of Arizona and California, and for other purposes; with amendment (Rept. No. 2325). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. S. 3506. An act to repeal the act approved September 25, 1914, and to amend the act approved June 12, 1934, both relating to alley dwellings in the District of Columbia; with amendment (Rept. No. 2326). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. S. 1244. An act relating to the renewal of star-route and screen vehicle service contracts; without amendment (Rept. No. 2327). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEARNS: Committee on the District of Columbia. S. 1585. An act to amend the District of Columbia Traffic Act, 1925, as amended; without amendment (Rept. No. 2328). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. S. 3233. An act to amend the Merchant Marine Act, 1936, to provide permanent legislation for the transportation of a substantial portion of waterborne cargoes in United States-flag vessels; with amendment (Rept. No. 2329). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEARNS: Committee on the District of Columbia. S. 3329. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities; with amendment (Rept. No. 2330). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. S. 3518. An act to amend the laws relating to fees charged for services rendered by the office of the Recorder of Deeds for the District of Columbia and the laws relating to appointment of personnel in such office, and for other purposes; without amendment (Rept. No. 2331). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. S. 3655. An act to provide that the Metropolitan Police force shall keep arrest books which are open to public inspection; without amendment (Rept. No. 2332). Referred to the Committee of the Whole House on the State of the Union.

Mr. TALLE: Committee on the District of Columbia. S. 3683. An act to amend the District of Columbia Credit Unions Act; with amendment (Rept. No. 2333). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ST. GEORGE: Committee on Post Office and Civil Service. H. R. 5718. A bill to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws; without amendment (Rept. No. 2334). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 6127. A bill

to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes, with amendment (Rept. No. 2335). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 7484. A bill to authorize the United States Attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment and other felonies, shall be tried in the Juvenile Court of the District of Columbia; without amendment (Rept. No. 2336). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 7670. A bill relating to the referral of cases by the Municipal Court for the District of Columbia to the District of Columbia Tax Court; without amendment (Rept. No. 2337). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 8915. A bill to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes"; with amendment (Rept. No. 2338). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9194. A bill to provide for the conveyance of certain land owned by the Federal Government near Vicksburg, Miss., to Vicksburg, Miss.; with amendment (Rept. No. 2339). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 8590. A bill to amend title IX of the District of Columbia Revenue Act of 1937, as amended; without amendment (Rept. No. 2340). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Illinois: Committee on the District of Columbia. House Joint Resolution 560. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp. on the occasion of such convention, and for other purposes; without amendment (Rept. No. 2341). Referred to the Committee of the Whole House on the State of the Union.

Mr. SIMPSON of Illinois: Committee on the District of Columbia. House Joint Resolution 561. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion National Convention of 1954; with amendment (Rept. No. 2342). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 8128. A bill to modify the requirement for an oath in certain cases in attachment proceedings in the District of Columbia; with amendment (Rept. No. 2343). Referred to the House Calendar.

Mr. O'HARA of Minnesota: Committee on the District of Columbia. H. R. 9882. A bill to incorporate the Foundation of the Federal Bar Association; with amendment (Rept. No. 2344). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 650. Resolution for consideration of H. R. 9666. A bill to amend section 1001, paragraph 412, of the Tariff Act of 1930, with respect to hardboard; without amendment (Rept. No. 2345). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 651. Resolution for consideration of H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; without amendment (Rept. No. 2346). Referred to the House Calendar.

Mr. KEATING: Committee on the Judiciary. H. R. 3534. A bill to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls; with amendment (Rept. No. 2347). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 555. An act for the relief of Charles W. Gallagher; with amendment (Rept. No. 2301). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 820. An act for the relief of the estate of Carlos M. Cochran; with amendment (Rept. No. 2302). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary: S. 1183. An act for the relief of John L. de Montigny; with amendment (Rept. No. 2303). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary: S. 1702. An act for the relief of Emilia Pavan; with amendment (Rept. No. 2304). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 3062. An act for the relief of the American Surety Co. of New York and certain other surety companies; without amendment (Rept. No. 2305). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 3064. An act for the relief of the estate of Mary Beaton Denninger, deceased; with amendment (Rept. No. 2306). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 703. A bill for the relief of Edwin K. Stanton; without amendment (Rept. No. 2307). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 638. Resolution providing for sending to the United States Court of Claims the bill (H. R. 5813) for the relief of Jacksonville Garment Co.; without amendment (Rept. No. 2308). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. House Resolution 637. Resolution providing for sending to the United States Court of Claims the bill (H. R. 6242) for the relief of the West Coast Meat Co., of Hayward, Calif.; without amendment (Rept. No. 2309). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. H. R. 3014. A bill for the relief of Dr. Alfred L. Smith; without amendment (Rept. No. 2310). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 7099. A bill for the relief of Eugene Spitzer; with amendment (Rept. No. 2311). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 7497. A bill for the relief of Roy M. Butcher; without amendment (Rept. No. 2312). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8281. A bill for the relief of the estate of William B. Rice; with amendment (Rept. No. 2313). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9261. A bill for the relief of Clement E. Sprouse; with amendment (Rept. No. 2314). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 7881. A bill to validate a conveyance of certain lands by Southern Pacific Railroad Co., and its lessee, Southern Pacific Co., to Morgan Hopkins, Inc.; without amendment (Rept. No. 2323). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3303. An act granting to Basic Management, Inc., a private corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada; with amendment (Rept. No. 2324). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 9954. A bill to amend the United States Cotton Standards Act and for other purposes; to the Committee on Agriculture.

By Mr. BELCHER:

H. R. 9955. A bill relating to income tax treatment where taxpayer recovers a substantial amount held by another under claim of right; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H. R. 9956. A bill to provide for Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities; to the Committee on Education and Labor.

By Mr. HOPE:

H. R. 9957. A bill relating to the financial structure of production credit associations; to the Committee on Agriculture.

By Mr. KEARNS:

H. R. 9958. A bill to authorize the Commissioners of the District of Columbia to designate and regulate holidays for the officers and employees of the District of Columbia for pay and leave purposes; to the Committee on the District of Columbia.

By Mr. PHILLIPS:

H. R. 9959. A bill to extend the authority of the American Battle Monuments Commission to all areas in which the Armed Forces of the United States have conducted operations since April 6, 1917, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RADWAN:

H. R. 9960. A bill to provide increases in the monthly rates of compensation payable to certain veterans and their dependents; to the Committee on Veterans' Affairs.

H. R. 9961. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. MACK of Washington:

H. R. 9962. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents; to the Committee on Veterans' Affairs.

By Mr. ABERNETHY:

H. R. 9963. A bill to amend the cotton marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BOLAND:

H. R. 9964. A bill to provide for the construction of a nonsectarian chapel at the Veterans' Administration hospital at Northampton, Mass.; to the Committee on Veterans' Affairs.

By Mr. DONOHUE:

H. R. 9965. A bill to provide for loans to enable needy and scholastically qualified students to continue post-high-school education; to the Committee on Education and Labor.

By Mr. BROYHILL:

H. R. 9966. A bill to establish for officers and members of the fire department for the Washington National Airport the same basic salaries as are provided by law for officers and members of the Fire Department of the District of Columbia, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE:

H. R. 9967. A bill to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes; to the Committee on the District of Columbia.

By Mr. LANE:

H. J. Res. 562. Joint resolution directing the President to sever trade relations with the Soviet Union, Communist China, and their satellites; to the Committee on Ways and Means.

By Mr. SIMPSON of Illinois:

H. J. Res. 563. Joint resolution relating to sales of Commodity Credit Corporation corn; to the Committee on Agriculture.

By Mr. RILEY:

H. J. Res. 564. Joint resolution to release reversionary right to improvements on a 3-acre tract in Orangeburg County, S. C.; to the Committee on Agriculture.

By Mr. SHAFER:

H. Con. Res. 256. Concurrent resolution expressing the sense of the Congress as to use of funds appropriated by the Congress for rehabilitation of the Republic of Korea for the encouragement of private enterprise in said Republic of Korea; to the Committee on Foreign Affairs.

By Mr. HINSHAW:

H. Con. Res. 257. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the contribution of atomic energy to medicine; to the Committee on House Administration.

By Mr. PRICE:

H. Res. 647. Resolution for the study and investigation of health and sanitary conditions in the commercial slaughtering and processing of poultry; to the Committee on Rules.

By Mr. JAVITS:

H. Res. 648. Resolution to extend greetings to the Gold Coast and Nigeria; to the Committee on Foreign Affairs.

H. Res. 649. Resolution to provide for inquiry and report by the Committee on Rules on the Special Committee to Investigate Tax-Exempt Foundations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNE of Pennsylvania:

H. R. 9968. A bill for the relief of the estate of James F. Casey; to the Committee on the Judiciary.

By Mr. DAWSON of Utah:

H. R. 9969. A bill for the relief of Teru Juan Tsutsui; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 9970. A bill for the relief of Cosimo Polo; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 9971. A bill for the relief of Arthur Ronald Tower; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 9972. A bill for the relief of Michaela Murphy Mole; to the Committee on the Judiciary.

By Mr. GREEN:

H. R. 9973. A bill for the relief of Tina Cipriani Ozelski; to the Committee on the Judiciary.

By Mr. KEATING (by request):

H. R. 9974. A bill for the relief of John Meredith McFarlane; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 9975. A bill for the relief of Solomon S. Levadi; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 9976. A bill for the relief of Ivar Refne Hansen; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky:

H. R. 9977. A bill for the relief of Lillian Sorensen Howell; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 9978. A bill for the relief of Alberto Rosa; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 9979. A bill for the relief of Richard, Clara, and Elizabeth Giampietro; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1108. By Mr. KING of California: Petition of the Board of Supervisors of the County of Los Angeles opposing enactment of S. 1555, H. R. 4449, S. 964, and H. R. 236 or similar legislation pending in the Congress of the United States pertaining to Colorado River water; to the Committee on Interior and Insular Affairs.

1109. By Mr. WILLIAMS of New York: Petition of Miss Anna M. Sweet and others, favoring the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

1110. Also, petition of a group of citizens from Ilion, N. Y., favoring the Bryson bill, H. R. 1227; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Opinion Poll Report for the 11th Congressional District of Massachusetts

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 1954

Mr. O'NEILL. Mr. Speaker, I am more than happy at this time to place in the CONGRESSIONAL RECORD the tabulated results of a questionnaire which I sent early this spring to the residents of the district which I represent here in the House of Representatives.

My objectives in sponsoring this referendum were threefold:

First. To promote responsible citizenship by stimulating the widest possible discussion and understanding of major legislative issues of current concern;

Second. To determine in broad terms, for my own benefit, the attitudes and opinions of my constituents on these issues; and

Third. To enable me to present to Congress, for its consideration, the views of an important segment of the voting population.

The number of responses which I have received has been most gratifying, and I am proud of the active, aroused public interest in governmental affairs which has been displayed.

FOREIGN POLICY

1. Do you approve of the present method of handling our international relations? Yes, 1,761; no, 2,537; no opinion, 754.

2. Do you believe that the United States Government should continue our foreign-aid program? Yes, 3,094; no, 1,605; no opinion, 635.

3. Do you feel that we should continue military aid to foreign nations? Yes, 3,378; no, 1,122; no opinion, 734.

4. Do you favor the continuation of economic aid to foreign nations? Yes, 3,162; no, 1,360; no opinion, 712.

5. Do you support the point 4 program (supplying technical assistance, manufacturing know-how, and management skills to undeveloped nations to help them help themselves)? Yes, 3,235; no, 530; no opinion, 979.

(a) Do you believe this program should be reduced? Yes, 510; no, 1,413; no opinion, 1,048.

6. Do you believe that Russia should be permitted to remain in the United Nations? Yes, 2,274; no, 2,110; no opinion, 850.

7. Do you believe that Communist China should be seated in the United Nations? Yes, 723; no, 3,907; no opinion, 604.

TARIFF POLICY

1. Do you suport the present methods of handling tariffs? Yes, 902; no, 2,021; no opinion, 2,311.

2. Do you believe that foreign goods should come into the United States regardless of the effect that it may have on the American worker? Yes, 743; no, 3,538; no opinion, 953.

3. Do you understand the present Government method of handling tariffs? Yes, 1,714; no, 2,124; no opinion, 1,396.

STATEHOOD

1. Do you favor conferring statehood on—

(a) Alaska? Yes, 3,810; no, 1,676; no opinion, 689.

(b) Hawaii? Yes, 3,830; no, 694; no opinion, 710.

TAX POLICY

1. Do you believe that the Federal Government should spend more money than it receives in income? Yes, 1,685; no, 2,693; no opinion, 856.